

The complaint

Mr A complains Revolut Ltd (“Revolut”) hasn’t refunded money he lost as the result of a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the details here.

Mr A said he received a call from someone, who we now know to be a scammer, purporting to be from a bank he holds an account with other than Revolut, I’ll refer to it as L. He said they knew some of his details which made him feel the caller was genuine, the scammer said there were suspicious transactions, and someone would call back from the fraud department.

Mr A told us he received another call, and the number was that of L. This person informed him his account with L had been compromised and he needed to move his funds to his Revolut account. Mr A said the scammer explained he would be asked to approve transactions disguised as legitimate purchases to shield payments from the fraudsters and ensure his funds ended up in a secure account. Mr A complied and was told a new account would be set up with L and when the threat had passed his funds would be returned.

Mr A realised he had been scammed and contacted both L and Revolut to report the matter.

Below are the card payments Mr A made to legitimate companies on 8 May 2024 from his Revolut account that were lost to the scam:

	Destination	Amount
1	Travel agent	£6,389.90
2	International money transfer service	£3,000.00
3	Online retailer	£834.95
4	Online retailer	£2,412.53
5	Online retailer	£47.99
6	Online retailer	£2,269.99
7	Online retailer	£895.00
8	Online retailer	£357.95
9	Online retailer	£825.00
10	Online retailer	£2,500.00
11	Online retailer	£1,719.00

Payments 3 to 11 were processed as they appear in the above table however Mr A said the payment was authorised once for the combined amount of these payments. Revolut told us the payments were processed offline whereby the merchant doesn’t hold the payments and so they don’t appear as pending in a customer’s account. The merchant later submits the financial presentment, and the funds are debited after the fact.

Mr A complained to Revolut, and his complaint wasn't upheld. Unhappy with Revolut's response, Mr A raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn't uphold it.

I reviewed the complaint and wrote to Revolut to try to resolve the complaint informally. In summary I said I thought Revolut ought to have been concerned by payment 2 but wasn't persuaded that an automated warning, which would have been the proportionate response would have prevented Mr A from making the payment. I went on to say that Revolut should have intervened again when he made payment 3 to the online retailer, which as mentioned was made as a total of payments 3 to 11 in the above table. I was satisfied if Revolut had intervened directly with Mr A it would have uncovered the scam and prevented further losses.

I sent my findings to Mr A who accepted the outcome. Revolut acknowledged receipt of my findings and requested further time to respond. The additional time given has passed without a response and as I've given Revolut reasonable time to provide any further comments or new information for me to consider, I can issue a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm sorry that Mr A has been the victim of a scam. I realise he's lost a significant sum of money, and I don't underestimate the impact this has had on him. However, just because a scam has occurred, it doesn't mean he is automatically entitled to recompense by Revolut. It would only be fair for me to tell Revolut to reimburse Mr A for his loss (or a portion of it) if I thought Revolut ought reasonably to have prevented all, or some, of the payments Mr A made, or if I believed Revolut hindered the recovery of the payments Mr A made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

In broad terms, the starting position at law is Revolut are expected to process payments and withdrawals that a customer authorises it to make. In approving the transactions via his Revolut app Mr A authorised the payments and I appreciate that he didn't intend for his money to end up in the hands of a scammer but as he authorised the payments in question here under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. However, there are some situations when Revolut should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Revolut should fairly and reasonably:

- Have been monitoring accounts to counter various risks, including preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is

particularly so given the increase in sophisticated fraud and scams in recent years, which payment service providers are generally more familiar with than the average customer.

- In some circumstances, take additional steps, or make additional checks, before processing a payment, or in some cases decline it altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to Revolut that Mr A might be at a heightened risk of financial harm from fraud.

Revolut intervened when Mr A attempted to make a £10,000 transfer to an individual. The payment was declined and so isn't included in the above table. As part of the intervention Revolut asked Mr A some automated questions and asked him to answer truthfully and noted if he is being scammed, the fraudster may ask him to hide the real reason for the payment to which Mr A selected that he understood. He was asked if anyone was telling him how to answer the questions, which options to choose or telling him it was urgent, to which Mr A said he wasn't being assisted through the questionnaire, his testimony regarding the scam indicates this wasn't accurate.

Revolut asked for the purpose of the payment and Mr A selected he was paying a family member or friend which we know wasn't the case. To move funds to a safe account was an option Mr A could have selected, one that would best fit the true nature of the payment, but Mr A didn't select that payment purpose reason. Revolut asked further questions and Mr A said he was paying them for a wedding, he'd paid them before using the same bank details and he was provided the details face to face. We know this wasn't the case.

Mr A was given warnings relevant to the answers he'd given which said he could be being scammed. These included to be wary of urgency as scammers can convince people a transfer is urgent and that they need to act quickly.

Following this automated intervention Revolut decided to intervene further via its in-app chat, given the value of the payment and how quickly things were happening I think this was a proportionate response. However, as the payment had been declined Revolut didn't discuss it with Mr A. Given Revolut directed Mr A to the in-app chat it ought reasonably to have discussed the payment with him.

I can't be sure what would have happened if Revolut had discussed the payment with Mr A so I need to make my decision on the balance of probabilities of what I think would have happened if it had.

Mr A said the scammer told him the matter was time sensitive and that if the payments from his Revolut account were held to say they were for a wedding to ensure they went through and avoid delays. It's clear Mr A followed the scammer's instructions here. I believe had Revolut spoken with Mr A regarding this transaction he would have more likely than not continued to follow the scammer's guidance as he believed he was speaking with L and that his funds were at risk.

The cover story Mr A was given was in keeping with the destinations of the earlier payments being a travel agent and a money transfer service, I therefore believe the cover story of a wedding would have seemed plausible to Revolut. So even if Revolut had probed Mr A further on the reason for the payment, I'm not persuaded it would have uncovered the scam.

There's an argument to say Revolut ought to have intervened when Mr A made payment 2. I would have expected an automated warning when payment 2 was made and while I can't be sure what would have happened if Revolut had intervened in this way, I think given Revolut intervened with an automated warning soon after when Mr A attempted to make a £10,000 payment as I've described, I think it's more likely than not that Mr A would have behaved in the same way. That's to say I think he would have used the cover story given to him by the scammer that the payment was for a wedding. Considering the destination of the first payment being a travel agent and the second being an international money transfer service, I think the cover story would have stood up to any further scrutiny from Revolut and the payment would have been processed.

I think Revolut ought to have intervened prior to processing payment 3 given the account activity which had happened by this time and the speed at which things were happening. There were several deposits into the account with payments made soon after, which is indicative of a safe account scam. I understand it was an offline payment whereby funds left Mr A's account in smaller amounts and Revolut told us at the time the payments left the account it couldn't have held them. However, I'm satisfied it should have held the payment as it was authorised by Mr A which was for the combined amounts which was ultimately processed after the fact.

Given the account activity is indicative of a safe account scam I would have expected human intervention from Revolut and for it to have asked open and probing questions regarding the payment and the circumstances around it. Had Mr A used the same cover story of a wedding for payment 3 I think it would have been less plausible due to the destination. And with effective questioning and probing from Revolut I believe on balance, the cover story would have unravelled, and the scam would have been uncovered.

There's nothing to suggest Mr A was told to mistrust Revolut or held a mistrust of banks/EMIs in general. I'm also not persuaded he intended to deliberately mislead Revolut when he used the cover story the scammer gave him but rather, he was acting to ensure the smooth transfer of his funds given the urgent need to act that the scammer had impressed on him. I'm therefore persuaded if he had received a safe account warning it would have caused Mr A to stop and reconsider what the scammer had told him and broken the scammer's spell and prevented him from making the payment. I therefore think it's reasonable to hold Revolut liable for the loss from payment 3.

I don't think it would be fair to apply a contributory negligence deduction. Overall, I don't find that Mr A acted unreasonably in the circumstances. I believe the scam was sophisticated, persuasive and with the addition of fear and panic that his money was at risk. So, I understand why he behaved in the way he did. The scammer knew some of his details and the addition of the scammer using a spoofed number for the bank they purported to be calling from will have added legitimacy to the call and the version of events the scammer gave Mr A. I therefore don't think it would be fair to also hold Mr A liable for the preventable losses.

I've thought about whether there's anything else Revolut could have done to help Mr A — including if it took the steps it should have once it was aware that the payments were the result of fraud.

After the card payments were made, the only potential avenue for recovery of the payment would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Revolut is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to a chargeback, I consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within the scheme

rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply. Unfortunately, the chargeback rules don't cover scams. I therefore don't think Revolut could have done anything to recover Mr A's funds.

My final decision

My final decision is that I uphold this complaint, in part, and require Revolut Ltd to:

- Refund Mr A from and including payment 3 which I calculate to be £11,862.41.
- Pay 8% simple interest per year on this amount, from the date the payments debited his account, until the date the refund is settled (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 9 January 2026.

Charlotte Mulvihill
Ombudsman