

The complaint

Miss T complains that Revolut Ltd won't refund money she lost when she was the victim of an investment scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In 2024 Miss T fell victim to an investment scam. She made the following payments from her Revolut account on 15 March 2024:

| Transaction Type | Payee | Amount |
|--------------------|-----------------------------------|---------------|
| Fund transfer | 'D' | £5,000 |
| Debit card payment | 'W' (a money remittance provider) | £1,000 |
| | Total | £6,000 |

After making these payments, the scammer's ceased communication. Miss T reported the scam to Revolut and raised a complaint. Revolut rejected it. They said they couldn't recover the lost funds. And before processing the payments, they provided Miss T with fraud warnings. They also said they asked Miss T about the purpose of the first payment followed by educational screens regarding the type of potential scam. After this, she was free to proceed with the transaction. Because of this, Revolut didn't think they were at fault for processing the payments.

The complaint was referred to the Financial Ombudsman. Our Investigator didn't think Revolut had to refund Miss T. He said Revolut did carry out additional checks through automated questioning before processing the £5,000 transaction, but Miss T provided inaccurate information. Our Investigator thought Revolut's intervention was proportionate to the risk associated with the payment – and so, he wouldn't have expected Revolut to have gone further than this. But even if they did, he didn't think this would've made a difference as Miss T was being coached by the scammer on what to say if questioned - noting that Miss T misinformed her other bank ('B') when she transferred £500 to her Revolut account in December 2023. Our Investigator also didn't think Revolut could've recovered the funds lost.

Miss T disagreed with our Investigator. In short, she said:

- She was tricked into sending money, with the scammers using various techniques such as pretending to be from legitimate firms.
- Revolut didn't do enough at the time of the payments. They should've contacted her by telephone to discuss them and, if they had, then the payments wouldn't have gone

- through.
- Revolut ought to have verified the payments were genuine and sought more information about the source and the purpose of the payments before releasing them.
 - Revolut acted negligently by not recognising and blocking the fraud. And relying on automated alerts and warnings were insufficient. And so, they're liable and should refund the fraudulent transactions.
 - She didn't mislead B when she transferred the £500 to Revolut in December 2023.

The matter has been passed to me to decide.

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 sorry that Miss T has been the victim of a scam. I understand this has impacted her greatly, and so I'm sympathetic to her situation. I therefore want to reassure Miss T that I haven't made this decision lightly. But I must consider whether Revolut is responsible for the loss she's suffered. Having done so, and while I realise this isn't the outcome Miss T is hoping for, for similar reasons as our Investigator, I don't think they are. Because of this, I don't think Revolut acted unfairly by not refunding the payments. I'll explain why.

Before I do, I want to reassure Miss T that I've considered everything she's submitted in support of her complaint. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Revolut is responsible for the loss Miss T has suffered.

In broad terms, the starting position in law is that an Electronic Money Institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Miss T authorised the payments from her Revolut account. Therefore, under the Payment Services Regulations and the terms of her account, Revolut are expected to process Miss T's payments, and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Here, Revolut did carry out some additional checks before processing the £5,000 transaction to D. As part of these checks, Revolut asked Miss T why she was transferring the funds. Miss T selected 'Pay a family member or friend' despite there being the option to select 'As part of an investment', which would've been a more accurate description. Following this, Miss T confirmed:

- She understood that, if she was being scammed, the fraudster may ask her to hide the reason for this payment. And that she wasn't being assisted through Revolut's questionnaire.
- She was paying back a family member or friend for something they'd purchased on her behalf. And this person hadn't asked for help unexpectedly.
- She had paid them before, and she'd obtained their bank details in person (face to face).

Revolut then provided some educational warnings to Miss T. These weren't however particularly relevant to her situation as they were tailored to scam risks associated with the information Miss T had provided (paying a family member or friend). At which point, I appreciate Miss T was being coached by the scammer. I'm sympathetic to Miss T's situation as I understand that scammers use sophisticated techniques to manipulate their victims. I can't however fairly hold Revolut responsible for that. They were reliant on Miss T providing accurate information so that they could assess the risks associated with the payment, thereby allowing them to provide appropriate warnings. And I don't think they had enough reason to suspect Miss T was being guided by a third-party to mislead them. Because of this, I think it was reasonable for Revolut to accept the information Miss T provided in good faith.

Based on the information Miss T provided, I think it was reasonable for Revolut to consider the £5,000 payment was being made to D for legitimate purposes. I understand Miss T doesn't think Revolut did enough to protect her and that, instead of relying on their automated questioning, they ought to have contacted her to discuss the payment. While I appreciate Miss T's views on this, I can't fairly say that would've been appropriate here. This is because there is a balance for Revolut to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate. And so, it isn't practical for Revolut to speak with their customers before processing every payment. And considering the risks associated with the payment (including its value, destination and the information Miss T provided), I think the automated questions and warnings Revolut provided were a proportionate action in these circumstances. I therefore wouldn't have expected Revolut to have done anything more before allowing the payment to be processed. Nor would I have expected Revolut to have carried out any additional checks before processing the £1,000 payment to W given its low value (and as it was being paid to a legitimate merchant).

It follows that, while I appreciate there is some dispute as to what would've happened if Revolut had contacted Miss T to discuss the payments, I wouldn't have expected it here. So, I won't be commenting on that as part of my decision. Ultimately, I think Revolut did enough before processing the payments and so, I don't think they're responsible for Miss T's loss.

I've considered whether, on being alerted to the scam, Revolut could've done anything more to recover Miss T's losses, but I don't think they could. Revolut contacted D's account provider but, unfortunately, no response was received. And the only option of recovery for the debit card payment to W was via chargeback, but this didn't have any reasonable prospect of success. This is because W provided the service paid for, that being the transfer of funds Miss T requested.

I know Miss T will be disappointed by this outcome as she is the innocent victim of a scam. But it would only be fair for me to direct Revolut to refund her loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 3 December 2025.

Daniel O'Dell
Ombudsman