

The complaint

Mr A says Revolut Ltd ('Revolut') won't refund him the money he lost to what he believes was a scam.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

In summary, Mr A came across a company that I'll call 'Company M'. Company M was a faith-based business which helped business owners expand their businesses through online coaching. The coaching focused on educating business owners to utilise online marketing to make their businesses more profitable. Online courses were promoted on Company M's website in which customers could pay for business mentorship and speak to other entrepreneurs to help grow their business.

As part of this scheme, there was an opportunity to invest funds in a social media marketing initiative to promote courses offered by Company M. As part of this marketing initiative, Mr A was told he'd receive commission leading to a monthly passive income for the duration of the agreement.

Mr A decided to invest (£25,000 in total) in Company M. Mr A was provided with a payment link which led to him making a debit card payment from his Revolut account for £5,000 on 22 August 2024. The payment went to a company I'll call Company H.

Mr A didn't receive any returns and subsequently came to believe he'd been scammed. Broadly summarised it is alleged that sales of the courses were fabricated or exaggerated by Company M, and that investors returns were actually paid out with other investor's money, in the manner of a Ponzi scheme. Having not received what was agreed with Company M, Mr A contacted Revolut on 18 November 2024 raising a chargeback. Revolut didn't raise a chargeback as it considered that the services had been made available and/or used and it informed Mr A of that on 12 December 2024.

Mr A contacted Revolut through its in-app chat formally complaining, advising that he hadn't received or used any service and that the payment was a result of fraud and he should be reimbursed.

Revolut issued a final response not upholding Mr A's complaint and remained of the opinion that the chargeback was deemed to be invalid under the MasterCard scheme rules.

Mr A referred his complaint about Revolut to our service. One of our Investigators looked into the matter and didn't uphold the complaint. In short, they weren't persuaded the evidence currently available was conclusive to show a scam had taken place, and they didn't think Revolut could have prevented or recovered Mr A's loss.

Mr A disagreed with the Investigator's opinion and as the matter hasn't been resolved, it's 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm very aware that I've summarised this complaint and the responses briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here – which is to determine whether Revolut could have prevented Mr A's losses or whether it is liable to reimburse him for any other reason. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. 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 an alternative to the courts.

Having thought carefully about Revolut's actions, I'm not upholding Mr A's complaint. I do appreciate how disappointing this will be for him. But in weighing everything up, I don't think I can fairly say Revolut were at fault in some way such that it should reimburse him. I'll explain why.

Before I go on to explain my findings, I want to clarify for Mr A's benefit why the 'Contingent Reimbursement Model (often referred to as the 'CRM Code') isn't relevant in his case. The CRM Code provided some additional protection to some faster payments, and victims of scams could be reimbursed their loss. But the CRM Code didn't cover payments made by card. And here Mr A made the payment via card. So, the CRM Code isn't an applicable consideration in this case.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

It is the case that Mr A authorised the payment that is in dispute – and that's accepted by all parties. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr A is responsible for it.

But there are various and longstanding expectations on payment service providers, such as Revolut, to be alert to fraud and scams and to act in their customers' best interests. So, I've thought about those expectations in relation to Mr A's complaint.

Taking into account the regulatory rules and guidance including the Consumer Duty, 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.

So, taking all of this into account, I need to decide if Revolut acted fairly and reasonably in its dealings with Mr A when he made the payment. Specifically, whether it should've done more than it did before processing the payments – and if it had, would that have made a difference. I also need to decide if Revolut could've reasonably recovered the lost funds.

Was this a scam?

Whether Mr A has been the victim of a scam is a difficult point to resolve conclusively at this stage. I appreciate that Mr A has provided a substantial amount of information which he says proves Company M was operating as a scam. And our Investigator has explained why it is challenging to currently draw that conclusion. I am also aware the police are currently looking into allegations of investment fraud against a key individual involved in Company M. This is an ongoing investigation. It may later become clear as to whether or not a scam has taken place. However, not knowing if the activity will be found to be a scam or not, doesn't make a difference in the individual circumstances of this case as the outcome does not turn on that issue. Instead, I need to determine whether action by Revolut could've prevented Mr A's loss based on the information available at the time he made the payment.

What does this mean for Mr R?

I've looked to see first, whether Mr R's transactions were unusual and out of character. And second, whether Revolut should have stepped in and intervened – so taking some additional steps or checks with Mr A about a payment. I have to determine whether these additional checks or steps would have put Revolut on notice that something might not be right, and that Mr A may be at risk of financial harm or revealed the scam. But importantly, I have to consider whether any intervention by Revolut would have made a material difference and prevented Mr A from making the payment – thereby preventing the loss.

Would intervention by Revolut have prevented Mr A's loss?

Revolut didn't intervene on the card payment Mr A made. So, there is an argument that it could have carried out some additional checks when Mr A made the card payment. But any potential failing by Revolut here doesn't change the outcome. I say this because I find it more likely than not that any proportionate intervention by Revolut wouldn't have revealed that the payment was a part of a fraud or scam. So, I couldn't fairly hold it liable for not having prevented it from being made.

In considering this point I must think about what Revolut could reasonably have established during a proportionate enquiry to Mr A about his payment back in August 2024. I cannot apply the benefit of hindsight to this finding.

I've given this point very careful thought and like our Investigator, I don't think the reason Mr A was making the payment would've presented any typical scam risk that I would've expected Revolut to be vigilant against. My opinion here is based on the following:

- I don't think the reason Mr A was paying Company M (as part of a marketing initiative) would've presented any typical scam risk that I would've expected Revolut to be vigilant against.
- At the time the payment was made, there wasn't any public adverse information concerning Company M. Company M's website could be easily verified, as well as the existence of the courses it offered.
- Mr A had signed a contract with 'M' that appeared and looked genuine.

I have also considered what Mr A has said about what he thought about Company M and the opportunity at the time of making the payment. This includes:

- Checking Company M on a well-known open review platform and finding positive reviews and customer feedback.
- Verifying Company M's website had been running for over 10 years.

- Being introduced to the investment by the sales representative who was a trusted member of the community and who had attended Mr A's property.
- Seeing other community members involved and seeing large numbers of active participants on social media discussing the investment positively.
- That Company M's founder had social and religious credibility, and the founder had held discussions with a religious scholar about the investment.
- The religious angle made the investment seem trustworthy as it aligned with Mr A's values and beliefs.

All this suggests to me that it's more likely than not, on balance, that had Revolut intervened I can't fairly say that it would have been on notice that Mr A was at potential risk of financial harm. And such was Mr A's belief in things when making the payment that it's more likely than not that he would've proceeded with his payment – even if Revolut had alerted him to any possible risks involved and the checks he should make. And even if Revolut had raised any concerns, then I think it's more likely than not that those concerns would've been allayed by the sales representative Mr A was liaising with.

This is further supported by Mr A's actions on a subsequent payment that he attempted a couple of minutes later. The payment was stopped, and Mr A answered some questions Revolut put to him about the payment. Mr A didn't proceed with the payment and chose to make the payment from another account he held at another banking provider.

Taking all this into account, I'm not persuaded, in the circumstances of this complaint, that any proportionate intervention from Revolut would've likely prevented Mr A's loss.

Did Revolut do what it should to try to recover Mr A's money?

As Mr A made the payment using his debit card, the only potential recovery option would have been through the chargeback scheme.

The chargeback process is voluntary and run by the card scheme whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed or be deemed a 'valid claim'.

Our role in such cases is not to second-guess the card scheme rules, but to determine whether the regulated card issuer, so here Revolut, acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its customer.

I can see that Revolut did not attempt a chargeback claim. I cannot find it at fault in this regard as I cannot see there would have been a reasonable prospect of success when I take into consideration that the merchant the payment was made to was Company H, but Mr A's contract was with Company M. Also, Mr A's reason for raising the chargeback, whilst in relation to not receiving goods or services, was because he considered Company M (and he includes Company H also here) acted fraudulently and were running a Ponzi scheme. So, in essence Mr A said the payments were made as a result of fraud. There are limited grounds to raise a chargeback when it is in relation to fraud. So, I cannot fairly say Revolut acted unreasonably in choosing not to raise a chargeback based on the circumstances of what had happened.

It's very unfortunate Mr A has lost this money in this way, but in the circumstances, having carefully considered everything, I don't find Revolut could have reasonably prevented Mr A's loss here. Neither do I find there were any other failings on Revolut's part that would lead me to uphold this complaint.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 February 2026.

Matthew Horner
Ombudsman