

The complaint

Mr N is seeking to recover £2,000 from Revolut Ltd (“Revolut”), for three payments he transferred to an individual. Mr N says he paid for services that were not provided and he now feels it was a scam

What happened

I’m not going to cover all the points raised in detail. The view of 1 December 2025 covered the details of Mr N’s testimony. But briefly on 17 December 2024 Mr N transferred two payments of £500 to an individual I will refer to as C. Mr N explained the payments were for adult services for himself and his friend - which he says they never received. Mr N says C then threaten his friend; demanding more money for wasting the women’s time – so Mr N made a third payment of £1,000 to C on 18 December 2024.

Mr N reported the matter to Revolut on 12 January 2025, but he was worried that C would be passed his details as a result - so cancelled the claim. Mr N then resubmitted the claim a few days later.

Revolut declined to refund Mr N as it said it provided sufficient warnings at the time he made the payments.

Our investigator did not uphold the complaint. He said there was insufficient evidence to support Mr N’s testimony that he had been the victim of a scam.

Mr N said gross negligence can’t apply to him due to him being a very vulnerable person.

As the complaint could not be resolved informally, it has been passed to me for a 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.

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; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position in law is that Revolut is expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer’s account and the Payment Services Regulations (PSR’s). However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

The Payment Systems Regulator introduced the APP Scam Reimbursement (“ASR”) rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain

circumstances. However, the rules only apply where the customer has been the victim of an APP scam, which the rules define as:

“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer’s Relevant account to a Relevant account not controlled by the Consumer, where:

- *The recipient is not who the Consumer intended to pay, or*
- *The payment is not for the purpose the Consumer intended”*

Private civil disputes are not covered by the rules. The term private civil dispute is defined in the rules as:

“A dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”

The Payment Systems Regulator in its published policy statement PS23/3 gives further guidance:

“2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act.”

It provides an example of when this might apply:

“...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.”

So, the Reimbursement Rules aren't a general protection for customers against non-receipt of or defective goods or services. They only apply if it can reasonably be established that there was the intent to defraud the customer from the outset and that the high bar required for criminal fraud would likely be met. So, I need to consider whether Mr N was manipulated, deceived or persuaded to make payments for a different purpose than the purpose he intended.

It's important to note that it isn't for Revolut (or this Service) to investigate C or somehow prove that C and the organisation he represented wasn't operating legitimately.

I am afraid there are too many uncertainties about what's happened here. We don't have anything to confirm what the payments made out of Mr N's Revolut account were for, or that they were made as a result of a scam. Mr N has suggested the payments were to buy adult services, but we haven't been sent any evidence in support of this, or any evidence that Mr N didn't receive the services he paid for. I don't know exactly what was agreed or provided here – but if the agreement wasn't met – it is possible other factors ultimately meant the arrangement wasn't completed.

Despite requesting evidence from Mr N, he has explained he is unable to provide any evidence to support his version of events. I appreciate that Mr N has said conversations took place over the phone and his friend has since changed his mobile phone so no longer has any of the messages. Mr N says it is for this reason he didn't report the matter to the police. But I don't think it would be fair for me to make a finding on whether Revolut should be required to refund any of the money he lost, when I don't think I can safely conclude what happened here or that he was even the victim of a scam.

This means I haven't gone on to consider whether Mr N is vulnerable or whether gross negligence does or doesn't apply in this case – as I would first need to be satisfied, he'd been the victim of a scam.

As I can't safely conclude that Mr N has been the victim of a scam here it wouldn't be fair to require Revolut to refund any of the payments to him. And I do not think Revolut has made an error when it decided not to reimburse Mr N.

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 Mr N to accept or reject my decision before 19 February 2026.

Kathryn Milne
Ombudsman