

The complaint

Mr T is bringing a complaint, as one of the directors of M. M complains that Revolut Ltd (“Revolut”) has not refunded its losses after losing money as a result of what it now believes is a scam.

What happened

Mr T is one of the directors of M. M entered into an agreement with an organisation (I’ll refer to as A) to return a profit for trading in forex.

On 11 August 2021 Mr T made a faster payment from his business account with Revolut for £49,998 to A - a genuine trading platform. He signed a limited power of attorney giving authority to another organisation (B) to trade those funds on his behalf.

Mr T said the funds used towards the investment were his own savings and that he had incorporated M for the purpose of investing and generating revenue from investment ventures.

Mr T also invested from his personal account with his high street bank – subject of a separate complaint.

Mr T says he never received any returns from the investment. B went into administration in October 2022 and an administrator was appointed. There is an ongoing police investigation into B.

Mr T reported the payments as a scam to Revolut in May 2024. Revolut requested further information from Mr T and when it didn’t receive it, it decided to reject the complaint for lack of evidence. It also told our service it thinks Mr T didn’t conduct enough checks on the investment before making payments and it had appropriate fraud detection measure in place at the time so it shouldn’t refund M’s loss.

One of our investigators looked into things. She said:

As a limited company and small business M, the complainant, must be an ‘enterprise’. An enterprise is defined in the DISP Rules as: “any person engaged in economic activity, irrespective of legal form and includes, in particular, self-employed persons, family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in economic activity [Note: article 1 of the Annex to the Micro-enterprise Recommendation]”.

- ‘Economic activity’ is usually seen as ‘the sale of products or services at a given price, on a given/direct market’.

- M had not provided evidence that it was engaged in economic activity at the time

In response Mr T's representatives said:

While the company may not trade in the traditional sense, it exists for the purpose of managing and growing an investment portfolio. In turn, this (i) involves ongoing financial decision-making; (ii) generates returns (income and/or capital gains), which is an economic activity under EU law; and (iii) aligns with the broader concept of an "enterprise," which includes any entity, regardless of legal form, engaged in an economic activity.

Additionally, DISP 2.7.3R does not exclude special purpose vehicles, holding companies, or passive investment vehicles from the definition of a micro-enterprise if the company meets the headcount and financial thresholds and there is not requirement that the company carries on a trading business, solely that it engages in economic activity.

The DISP rules are themselves designed to ensure that smaller, less sophisticated clients have access to this Service. Therefore, a company formed to manage a personal or family investment pot is likely to operate with limited financial expertise, and its directors may be retail clients in all but name. Excluding such companies from this Service's protection based solely on their object clause would undermine the purpose of DISP, especially when the firm is functionally indistinguishable from an individual investor.

I issued my provisional decision on 17 November 2025 explaining that I had determined this was a complaint I could consider. This was because M's linked enterprise (E) meets the definition of a microenterprise including being engaged in economic activity.

I also explained why I was not upholding the merits of the complaint. This was because I found the investment firm's intended purpose for the funds generally aligned with M's and I haven't seen anything that indicated there was an intention to defraud. Instead, I found it's more likely that this was a failed investment rather than an APP scam.

Revolut did not respond. Mr T's representatives confirmed they would not be appealing the decision. We gave Mr T a further week to provide any further arguments.

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.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my final decision. However, I think it's unlikely that Mr T would've provided any new evidence or information that would've changed the outcome of the case.

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. For completeness, I have set out my conclusions on the merits of this complaint below.

Electronic Money Institutions (EMI) have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. But in order to hold an EMI to these, I would need to be satisfied that there has been an authorised push payment (APP) scam. So the first consideration in determining Revolut's obligations would be whether there is evidence to show M has been scammed.

To determine if M has been the victim of an APP scam, I have to consider if its intended purpose for the payments was legitimate, whether the intended purposes M and the investment firm had were broadly aligned and, if not, whether this was the result of dishonest deception on the part of the firm. Misrepresentation isn't enough to meet this definition.

Based on the evidence available to me, it seems M was intending for the funds to be invested into an investment fund. I don't believe I have all the paperwork M received, but from what I understand the information M would have received was professional and the platform itself was genuine. So, I see no reason why M would not have thought this was a legitimate investment it was sending its money to.

I've next considered whether the firm's intended purpose for the payments aligned with what M intended. M thought it was putting its funds into an account which would be used to purchase foreign currency. Instead, the funds were held on account and used as collateral. So, whilst the funds were used differently to what investors were led to believe, the overall purpose of the trading platform accepting the funds was for investment purposes.

The company M made the payments to looks to have been a genuine company involved in a legitimate enterprise. During the period in question, the firm appears to have been conducting investments, and I've seen nothing to suggest that the funds being paid into M's account were fictitious.

There were returns and withdrawals completed by some investors and there is no evidence to suggest this was not based upon legitimate trading activities. Additionally, MC has also confirmed that B was successfully trading for a number of years using their platform. I think this also indicates that B did intend to use M's funds for investment purposes. It seems, at least initially, that the trading strategy was working – albeit with credit being used rather than the direct trading account funds. It appears the high-risk trading strategy used then began to fail and the funds (which were held as collateral) were lost. Had the funds been used, rather than merely been held as collateral, it ultimately would have led to the same result of the funds being lost.

I've seen no evidence to suggest that B didn't trade M's funds via MC or that B misappropriated the funds deposited with MC. Whilst MC closed B's account, ultimately, I believe the deposited funds were not removed from the account fraudulently.

Consequently, I'm satisfied the investment firm's intended purpose for the funds generally aligned with M's and nothing I have seen indicates to me that there was an intention to defraud. Instead, I think it's more likely that this was a failed investment. Therefore, I don't think it meets the definition of an APP scam. And I think Revolut acted reasonably when it treated the case as a civil dispute.

For completeness, even if I was persuaded this was a scam from the outset, I do not think Revolut could have prevented M's losses. I say this because, even if Revolut had intervened here, I do not think it would have made any difference. The investment at that time would have seemed a legitimate one. I'm not aware of any information Revolut could or should have known at the time from which it ought to have been concerned M was being scammed. Revolut could have given M general fraud and scam advice in relation to investing. However, I do not think I can fairly say it would have been able to give M any information that would have led it to doubt what it already knew about what it was doing, including if it had undertaken further reasonable research at the time.

The funds M was sending were also going to an account M opened itself on what looks to be a legitimate trading platform. So, even if M had been questioned in more detail about the investment, I do not think it would have highlighted anything that would have caused concern or led Revolut to believe M was at risk of financial harm from fraud or a scam.

I do appreciate how disappointing this is for M's directors. However, based upon the available evidence I don't think Revolut needs to compensate M the losses it has incurred.

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 M to accept or reject my decision before 2 January 2026.

Kathryn Milne
Ombudsman