

The complaint

Ms K complains that Revolut Ltd have failed to refund £1,953.30 she says she lost to an impersonation scam. She's also concerned that Revolut didn't do enough to try and recover the lost funds.

Ms K is being supported in her complaint by her husband. But for ease, I'll refer to Ms K throughout this decision.

The details of this complaint are well known to both parties. So, if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Revolut could've prevented Ms K's loss and if it did enough to try and recover the funds.

After our Investigator issued her outcome on Ms K's complaint, Revolut offered Ms K £500 as a gesture of goodwill to recognise the distress and inconvenience the situation had caused. Ms K didn't accept Revolut's offer and so the case has now 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.

Having done so, I agree with the conclusions reached by our Investigator for the following reasons:

- It isn't in dispute that Ms K authorised the disputed payments she made to an online marketplace (which I'll refer to here as 'E'). This was after she was called by a third party claiming to be from a fraud team to say her accounts had been compromised. The payments were as follows:

Date	Payment
29/7/2024	£1,019.15
29/7/2024	£934.15

- The payments were requested by Ms K using her legitimate security credentials provided by Revolut. In line with the Payment Services Regulations 2017, consumers are liable for payments they authorise. Revolut is expected to process authorised payment instructions without undue delay.
- Revolut also has obligations to help protect customers from financial harm from fraud and scams. But I don't think these payments would've been of concern to Revolut. I'll explain why.
- When considering this point, I've kept in mind that EMIs, such as Revolut, process high volumes of transactions each day, and that there's a balance for it to find between allowing customers to be able to use their accounts and questioning

transactions to confirm they're legitimate.

- I appreciate that Ms K has lost £1,953,30, which is a significant amount of money. But this amount wasn't paid in one large transaction, it was spread over two smaller increments to the same payee. This, in my judgement, wouldn't have appeared particularly suspicious to Revolut.
- Looking back at Ms K's statements over the previous 12 months, her account is used mainly for day-to-day spending with values typically low in value (under £100). So, the disputed payments were more than Ms K used her account for.
- But it isn't unusual for customers to make larger payments from time to time to a new payee as part of normal account activity. And the payee here, (E'), is a genuine retailer.
- So, having considered the payments Ms K made, I'm not persuaded, on balance, there was anything unusual or suspicious that ought reasonably to have indicated to Revolut that she might be in the process of being scammed so that it should've stopped the payments or refused them altogether.

Recovery of funds

Ms K contends that Revolut doesn't have an appropriate procedure in place to recover card payments lost to a scam. She said the payments in dispute were showing as 'pending' at the time she reported the fraud, and yet Revolut still processed them. Ms K also didn't think Revolut had attempted a claim under the chargeback rules.

Ms K says Revolut should've contacted the merchant (in this case 'E') to find out if it was a genuine account and to attempt recovery of the funds.

Ms K then made the point that another bank involved in the scam ('FD') had issued a refund for a fraudulent payment made to 'E' and had contacted 'E' (and another merchant involved in the scam – who I'll refer to here as 'O'). Ms K also explained that after both she and 'FD' contacted 'O', it refunded a disputed transaction linked to the scam. She added that when she'd contacted 'E' herself, it had suggested that Revolut should contact them, yet it had failed to do so.

Ms K believes that all this demonstrates that Revolut could've done more to recover the disputed payments from 'E'.

I can see that Revolut did refer Ms K's case to its chargeback team who rejected the claim on the basis that she'd authorised the disputed payments. And because of that, it said that it didn't contact 'E'. Revolut has also explained that it can't stop pending card payments.

I don't think Revolut's position here is unreasonable. I'll explain why.

Let me first set out how card payments and the chargeback process work. The main card networks, Visa and Mastercard, don't allow for a delay between receipt of a payment instruction and its acceptance: the card issuer has to choose straight away whether to accept or refuse the payment. And so, for the reasons I've explained, I think it was reasonable for Revolut to process the payment instructions upon receipt.

I've therefore considered whether, on being alerted to the scam, Revolut could've done anything more to recover Ms K's funds, but as I'll outline below, I don't think it could.

I should at this point make it clear that my focus here is on the actions of Revolut. I appreciate that Ms K has had a favourable outcome on her fraud claim to 'FD', but that doesn't automatically mean Revolut acted unreasonably or that it should do more to put things right.

As the payments were made by debit card the only potential avenue for recovery would've 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 generally 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.

A chargeback isn't guaranteed to result in a refund. There needs to be a right to a chargeback under the scheme rules and under those rules, the merchant or merchant acquirer can defend a chargeback if it doesn't agree with the request. Unfortunately, the chargeback rules don't cover scams, and as Ms K authorised the payments, a fraud claim would also fail, as it did here.

Ms K is concerned that Revolut didn't contact 'E', but I don't think Revolut acted unreasonably here. Ms K unwittingly paid 'E' for goods/services that the scammer would've received despite her having funded them (as part of the scam). Her disagreement is essentially with the scammer, not with 'E'.

And so, it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as Ms K didn't pay them directly. I appreciate the goods/services Ms K paid for weren't for her benefit – but as far as the chargeback rules are concerned, the provision of the goods/services, regardless of the beneficiary, is enough to deem a claim invalid.

I appreciate that Ms K thinks Revolut should've done more to try and recover the lost funds. But we would only expect it to raise a chargeback claim *if* it was likely to be successful. Based on the available evidence, it doesn't look likely that it would've been.

So, taking all this into account, I don't think Revolut had any reasonable prospect of recovering the funds at the point it was alerted to the scam.

I appreciate this will likely come as a disappointment to Ms K, and I'm very sorry to hear of the situation she's found herself in. However, in the circumstances of this complaint, I don't consider it would be fair and reasonable to hold Revolut responsible for Ms K's loss.

I have however had confirmation from Revolut that it is still willing to pay Ms K £500 to settle this complaint. Given all the circumstances I've outlined above, I think this is a fair outcome and so I won't be asking Revolut to take any further action.

My final decision

My final decision is that I uphold this complaint in part. I direct Revolut Limited to pay Ms K £500.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision **before 5 March 2026**.

Anna Jackson
Ombudsman