

The complaint

Mr B complains about security checks carried out by Revolut Ltd while his account was locked.

What happened

In 2019, while Mr B was on holiday abroad, his Revolut account was locked. Revolut asked him some questions about his source of income and asked him for various documents to confirm where his funds came from. Revolut say they needed this information before they could unlock the account. The documents they asked for included a legal document relating to one of Mr B's sources of income ("the legal document").

Mr B didn't have the legal document with him on holiday and says he offered to provide alternative documentation. But he says Revolut insisted on seeing the legal document. As this was held in his solicitor's archive, Mr B couldn't get hold of it until he was back in the UK. So, his account remained locked for the rest of his trip. Mr B says that he later obtained the legal document from his solicitors but didn't send it to Revolut in the end because they no longer wanted it. He says that, at that stage, Revolut asked him for different documents.

Mr B provided the documents Revolut were asking for and his account was unlocked. But he wasn't happy with the way they had dealt with the situation. He complained and asked for compensation for the trouble he'd been put to and the fact that he'd had no access to his funds while he was abroad.

Revolut didn't uphold the complaint. They said they'd carried out a review of Mr B's account in order to meet their legal and regulatory obligations. They said they'd locked his account in order to check its funding sources and had done so in line with their policies and procedures. They acknowledged that this had caused Mr B inconvenience. But they said they had to be thorough and couldn't unlock the account until Mr B had provided the information they'd asked for.

Mr B wasn't happy with Revolut's response, so he brought his complaint to this service. Our investigator thought Revolut had acted fairly and didn't ask them to do anything. But Mr B didn't agree and asked for his complaint to be reviewed by an ombudsman. He says he was put to the trouble of obtaining a document from his solicitor's archive, only to find that Revolut didn't want it. And, in the end, he says they were satisfied with documentation which he could have provided at the outset.

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.

The starting point here is that it's right for Revolut to have measures and procedures in place to safeguard customers' accounts and prevent fraud so far as possible. As to exactly what those procedures are and how they are carried out, that's for Revolut to decide. What I need to decide here is whether they applied their procedures correctly and fairly.

Revolut say that an alert was triggered on Mr B's account, which led to it being locked. They say they needed to carry out a due diligence check in order for the block to be lifted. And, for that, they say they needed information from Mr B in order to verify his source of income. I think that's reasonable. And it's in line with Revolut's terms and conditions, which also allow them to suspend Mr B's account if he hasn't given them any information they need. Mr B agreed to be bound by these terms and conditions when opening his account.

As to the information requested by Revolut, I think their questions and requests for documents were reasonable. But Mr B says that Revolut changed what they were asking for. He says that, initially, they insisted on seeing the legal document. But, in the end, they were satisfied with documents which he says he could have provided at the outset. So, Mr B says that the unlocking of his account was unnecessarily delayed by Revolut, meaning he didn't have access to the funds in the account while he was abroad. In order to make a finding on this issue, I've reviewed the communications between Revolut and Mr B from the day the account was locked.

The day after the account was locked, Mr B told Revolut that his main source of income was employment and dividends from investments. Revolut asked for Mr B's last three payslips and his investment portfolio. Mr B asked if evidence of a payment from his third-party bank account would be acceptable instead, avoiding the need for him to produce payslips and investment proof. He said he wouldn't be able to provide those until he was back home later in the month.

Revolut then asked Mr B again about his main source of income. He referred to another source of income, which he said was detailed in the legal document. He said that his accountant would be able to confirm everything in writing. Revolut then asked for Mr B's payslips from the last three months or his tax statement and/or invoices and bank statements for the last three months.

Mr B submitted his tax return the same day. Revolut then asked for the legal document. Mr B explained that he wouldn't be able to get a copy until he was back home later in the month. He again suggested a letter from his accountant and asked for a copy of Revolut's complaints procedure.

Revolut asked for the legal document again and Mr B said he would provide it when he was home. There was no further contact on the chat log until around six weeks later, when Mr B attempted to submit a document. I'm not sure which document that was, as Revolut say the attempts were unsuccessful. But the following day, Revolut asked for Mr B's last three payslips or a bank statement showing the last three salary payments and his tax return. Mr B provided these and Revolut unlocked his account. Revolut say that these documents satisfied their enquiries, so they no longer needed the legal document.

Having reviewed the chat log, I find that Revolut's requests for information were somewhat piecemeal and could have been set out more clearly. So, I can understand Mr B's frustrations in that respect. But I think overall it was clear that Revolut wanted to know where Mr B's income came from and to see evidence of that. He initially said that his main source of income was employment and dividends. So Revolut asked for payslips and Mr B's investment portfolio, which Mr B said he couldn't provide at the time. Mr B then mentioned another source of income. This prompted Revolut's request for the legal document, although they were still asking for other documents as well.

Mr B provided his tax return straight away. But I think it was clear that this document was only a part of Revolut's enquiries – they also wanted to see payslips and/or bank statements and/or the legal document. It isn't clear from the requests whether all these documents were

needed or whether some were interchangeable. But they were all requested within the first two days of the account being locked and when Mr B had an active dialogue with Revolut. So, I don't find that the way in which Revolut requested the information caused a delay in resolving the situation.

I take Mr B's point that the legal document, which had seemed important early on, wasn't needed in the end. And I can understand his frustration over that. But I don't find that Revolut said the legal document was the only thing they would accept to unlock the account. The documents they asked for, and were satisfied with, in the end had been requested early on too. Mr B says he'd offered to provide these while he was abroad, but I haven't seen evidence of that. Mr B said he couldn't provide payslips until he was at home and he didn't upload bank statements at the time (other than one to confirm that a top-up payment had been made).

If Mr B had been able to provide this information straight away, I find it likely the account would have been unlocked while he was still abroad. And it would have come to light more quickly that the legal document was no longer relevant. But I don't find that Revolut caused delay here.

An alert had been triggered prompting Mr B's account to be locked, so I think it was reasonable for Revolut to carry out checks and ask for information before unlocking the account. For the reasons above, I don't find that Mr B did / could provide the necessary paperwork until he was at home, whether it was the legal document or the payslips or bank statements. So, I think Mr B's account would have remained blocked for the remainder of his holiday in any event.

I realise my decision is likely to be disappointing to Mr B. But I don't find that Revolut acted unfairly here. So, I'm not going to ask them to do anything.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 October 2020.

Katy Kidd
Ombudsman