

The complaint

Mrs S complains that Revolut Ltd's money-laundering procedures are too intrusive, and also complains about how Revolut Ltd dealt with her complaint about that.

What happened

Mrs S has an account with Revolut. In June 2019 she intended to book tickets for herself and a large number of other people to attend an event, and so her friends each sent her payments for their tickets. This prompted Revolut to ask her what they payments were for, as part of its compliance with anti-money laundering (AML) regulations. Mrs S provided the requested information, albeit after protesting that she found it very intrusive. Her account, which had briefly been blocked in the meantime, was unblocked again. But later that month, a second review was triggered, and this time the matter was not resolved until October, during which time (about four months) her account was blocked again.

Mrs S accepted that Revolut was entitled to carry out AML checks in principle, but she complained that these checks were intrusive, disproportionate, and demeaning. She complained that Revolut had asked for payslips, and that when she had refused to provide them, Revolut had eventually lifted the block anyway, proving (she argued) that the payslips had never been necessary in the first place. And she complained about how Revolut had handled her complaint, in particular that Revolut had never answered her complaint and had then stopped corresponding with her entirely.

In its final response letter in July 2019, Revolut said it had been entitled and indeed obliged to carry out the checks, which it denied were unnecessary or disproportionate. Later, after Mrs S had brought this complaint to our Service, Revolut said it had not needed the payslips because it had only asked for them as an alternative to the evidence it had originally asked for, which Mrs S had eventually provided, meaning that the payslips were no longer needed. It accepted that there had been a five day delay in dealing with her complaint, because her original complaint had not been logged, but it pointed out that it had issued its final response letter in good time, in which it had answered her points.

Our investigator did not uphold this complaint. He said that Revolut was entitled to decide what AML checks to do, and that the terms and conditions of its account said it could block an account in some circumstances. Mrs S did not accept that opinion, and she asked for an ombudsman's 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.

I don't have jurisdiction to consider Mrs S's complaint about how Revolut dealt with her complaint (and neither did the investigator). That is because under the rules which set out our Service's jurisdiction (which are made by the Financial Conduct Authority), I can only consider complaints about financial services, and complaint-handling is not a financial service.

Although I appreciate that Mrs S was dissatisfied with the questions Revolut asked her, I have to say that it is for Revolut, and not its customers, to decide how much information it needs to obtain to comply with its obligations under AML regulations. I say that because the obligations are Revolut's, and the liability for not complying with them is Revolut's.

I have read the communications between Mrs S and Revolut, and it appears to me that the delay in lifting the second block was not caused by anything Revolut did, but by Mrs S not providing the requested information when she was asked to. In response to the second block, she stated that she would not provide anything until her complaint about the first block had been answered. She stuck to her guns when Revolut pointed out that its terms and conditions required her to co-operate with such requests.

To verify that, I read the terms and conditions which applied in 2019. At the end of section 5 it says:

"To meet our legal and regulatory requirements we might sometimes need to ask for more information about you (for example, if your spending increases). Please provide this information quickly so that there is no disruption to your account or our services."

Then, in section 20, it says:

"We must refuse to make a payment, or delay a payment, in the following circumstances:

- if legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks; ...
- if we have asked you for important information we reasonably need and you have not given us that information..."

So I think that Revolut was right to point that out.

After Revolut sent Mrs S its final response letter in late July, she still did not send the evidence she had been asked for. Instead, she told Revolut that she would bring a complaint to our Service.

Revolut did tell Mrs S some conflicting information about what would happen to a blocked payment of £37 which it had asked her about. After she answered its question, she was initially told that the payment would clear soon, only to be told the next day that it would not clear her account until Revolut had completed its AML review. I think that Revolut did make a minor mistake here, in that what it first told Mrs S was wrong. But it corrected that misinformation the next day, and the payment was only a small one, so I do not think that error was serious enough to merit compensation in addition to Revolut's apology.

After that, the parties deadlocked, with both parties refusing to budge from their positions. Mrs S told Revolut in August that she had noted its position, but that she would wait and see what our Service made of it. I think that Revolut was entitled to insist on what it had asked for, so I do not think it was to blame for the block remaining in place until October. The block was finally lifted because Mrs S provided screenshots of invoices for the tickets she was purchasing, which Revolut accepted in lieu of the payslips it had originally requested. The block was lifted four days after that (which included a weekend, so it was two working days).

I can't see where Revolut asked for invoices first and then for payslips as an alternative to invoices, but I don't think that really matters, because I accept that it was entitled to ask for either or both of these, and to accept one or the other. It is likely that if Mrs S had provided

the requested evidence in July 2019, then her account would have been unblocked two working days later, in July instead of October. So I have no basis for finding that Revolut was responsible for the delay.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 28 April 2021.

Richard Wood
Ombudsman