

Complaint

Mr V complains Revolut Ltd unfairly closed his account.

Background

Mr V opened an account with Revolut in July 2019. In August 2019 he made a payment to his son, who resides and studies in another country.

Following this, Revolut reviewed Mr V's account and decided to close the account with immediate effect. Revolut informed him its reason was based on him not fitting its risk criteria.

Mr V complained to Revolut. He believes Revolut misapplied the criteria applicable to a politically exposed person (PEP), which he is not, and closed his account on this basis. Mr V thinks a PEP marker is registered against him, but he shouldn't be considered a risk in the same way that a politically exposed person might be. As a result, he says Revolut's decision does not represent a legitimate exercise of its commercial discretion.

Mr V also says Revolut is in breach of the Financial Action Taskforce (FATF) guidelines and principle six of the Principles for Businesses, which form part of the Financial Conduct Authority's handbook, which states "*A firm must pay due regard to the interests of its customers and treat them fairly*".

Revolut didn't uphold the complaint. It says it was able to terminate its relationship with Mr V under the terms of his account, and it followed those terms correctly, so it wasn't reversing its decision.

Unhappy with this response, Mr V brought his complaint to our service. When he did, he revealed he has a prior criminal conviction, which is now spent. An investigator decided to not uphold the complaint. In summary, they found:

- It didn't appear Revolut considered Mr V as a politically exposed person, as he didn't hold political office or a prominent public position. There was no evidence to show a PEP marker existed.
- Revolut was able to simply terminate its agreement with Mr V in the same way he could decide not to be its customer.
- It's understandable why Mr V wanted to know the basis for Revolut's decision, but Revolut did not have to give its exact reasons.
- Having looked at all the information available, nothing indicated Revolut's decision wasn't an exercise of its commercial discretion. The account was closed in line with its terms.

Mr V strongly disagrees with this outcome. He says he's being treated as if he was a politically exposed person. His son's account was unfairly closed, which is an action a firm might take in regard to such a person.

Mr V also asserts that if Revolut's decision was based on his previous spent conviction, then this would be a breach of the Rehabilitation of Offenders Act 1974 and data protection law.

The investigator responded in a similar vein to their previous view, repeating that nothing indicated Revolut considered him as a politically exposed person, and it was unlikely this was the case. They re-affirmed that Revolut's decision was in line with the terms of his account.

Mr V has asked for a final decision from an ombudsman, so the complaint has been passed to me to decide.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I understand Mr V feels very strongly that Revolut had no proper reason to close his account. But Revolut can still make decisions on whom it wants as a customer, including existing customers. And in general, it wouldn't be appropriate for me to interfere with Revolut's decisions in this regard, as long as they represent a legitimate exercise of its discretion.

I've considered very carefully what Mr V has said regarding Revolut treating him as if he is a politically exposed person. He appears certain that this is the case. I understand also that he thinks the closure of his son's account implies this, and that the closure of that account is also unfair.

But, after considering all the available evidence and information I have, I find Revolut didn't review his account under the lens of a politically exposed person or in an otherwise improper way based on Mr V's circumstances. I also cannot decide whether Revolut appropriately terminated its relationship with his son, as this is not Mr V's complaint – it's his son's.

Mr V says that it would be a breach of the Rehabilitation of Offenders Act 1974 and data protection law if Revolut's decision was based on his previous conviction. But I haven't seen evidence to show Revolut's decision breached any such law or that it amounts to anything other than a legitimate exercise of its discretion.

Neither can I see that Revolut is in breach of the requirements of FATF or principle six of the Principles for Businesses. I don't find in Mr V's circumstances that Revolut deciding to terminate its relationship with him means he was treated unfairly. I'm satisfied Revolut can review an account at any time, and this need not only be in relation to when an account is opened or to fulfil its know your customer obligations.

I understand of course why Mr V wants to know the exact reasons behind Revolut's decision, other than what he's previously been told. But I find there is no legal obligation for Revolut to reveal them. So, I find it unreasonable to require it to reveal its reasons now.

Revolut should still ensure it applies the terms of the account correctly when taking the decision to close it. I see it decided to close the account immediately after completing its review. And after considering the applicable account terms I'm satisfied they were applied

appropriately. I also see no funds were in the account prior to the account review and closure, so I don't think Mr V was financially disadvantaged as a result of Revolut's decision.

My final decision

For the reasons I've explained above, I've decided not to uphold Mr V's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 8 July 2020.

Liam King
Ombudsman