

The complaint

Mr R complains about a withheld payment in his banking account with Revolut Ltd.

What happened

On 25 January 2020 Mr R received a payment of £67,680.00 into his Revolut account. This payment was held by Revolut for a due diligence check, as it says it needed to check the source of the funds. Revolut says it contacted Mr R on 27 and 29 January 2020 to ask for more information regarding the funds, but it says it got no response.

Mr R says he then contacted Revolut on 31 January and 10 February but only managed to speak to an automated chat facility.

On 11 February Mr R contacted Revolut and was directed to the compliance team.

Revolut have said that someone from their compliance department then attempted to contact Mr R on 14, 15, 20, 21 and 22 February via their online chat facility – but didn't get the response it needed to release the funds.

Mr R remained unhappy that his payment was being withheld and said that he had lost out financially because of it, so he brought his complaint to our service. Our investigator found Revolut hadn't had its opportunity to investigate the complaint, so this was sent back and in turn Revolut's investigation was completed and a final response letter (FRL) issued. Revolut didn't uphold Mr R's complaint. It said it had a regulatory requirement to check certain transactions and the source of where they came from – and Mr R's credit he received was one of those. It went on to say that it tried to contact Mr R several times to gain information to release the payment but got no response.

Our investigator looked into Mr R's complaint but didn't think it should be upheld. She largely agreed with Revolut for much the same reasons. She said Revolut had an obligation to check certain payments received into customers' accounts. She went on to say that Revolut had tried to make contact with Mr R, so she didn't find it had acted unfairly when it had held onto the payment.

On 9 April 2020 Revolut contacted Mr R and told him it could send the funds back to the originating Bank on his request. Mr R said he thought the email may be fraudulent, so he didn't respond. On 1 May 2020 that request was passed on from our service to Revolut for the money to be returned. On 5 May 2020 Revolut processed the return of the payment.

Mr R didn't agree with the investigators view, so the complaint's been passed to me to issue a 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.

Having done so, I find myself coming to the same outcome as the investigator. I'll explain why.

I've looked at the terms and conditions of Mr R's account and I'm satisfied that Revolut were able to review and block the incoming payment as they did. Mr R agreed to these terms at the time he opened the account. This is also consistent with what we see from other organisations across this industry.

The difficulty with the payment that Mr R had received, was that it was for a significantly larger amount than some of his previous transfers - so it unsurprisingly triggered Revolut's compliance requirements. These checks are intended to ensure that the source of funds is verifiably identified and are a regulatory requirement that Revolut must comply with. So, having considered this check, I'm satisfied it was in line with Revolut's terms and conditions and it didn't act unfairly when it decided to initiate the check.

Having then looked at the process Revolut followed to contact Mr R, I'm satisfied it done enough. I'll explain why.

Revolut have supplied a copy of the correspondence sent to Mr R on 27 January 2020 through its app, shortly after the payment was received. With Revolut being an app-based company, it's most likely a large proportion, if not all of their communication will be done through its chat service. It's also mentioned in the terms and conditions of the account that Revolut will usually communicate with account holders through the app. So, I'm satisfied Revolut first contacted Mr R in a reasonable amount of time and through an accessible means.

Having looked at the request made by Revolut's compliance department on the 27 January 2020, it asked Mr R for information about the source of the funds. I can see Mr R replied several times after that but didn't provide this information. I find it most likely that had Mr R responded to this request, the payment would have been released shortly after it was made.

I understand the third-party bank that sent the payment had been made aware of the source of funds, but this information doesn't always get sent through with the payment. So, I'm satisfied Revolut didn't have access to this information when it asked Mr R for it.

Having seen Revolut's terms and conditions of the account, it's clear that it won't pay for losses resulting in stopping payments in and out of the account when it needs to meet its legal and regulatory requirements. Although I haven't found Revolut have made an error here, Mr R has signed up to these terms and conditions when he decided to open his account.

Having considered all of the information supplied by both parties, I'm satisfied Revolut haven't done anything wrong in the circumstances of this complaint, and I won't be asking it to compensate Mr R.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 March 2021.

Tom Wagstaff
Ombudsman