

The complaint

Mr S complains that Revolut Ltd blocked his account. He wasn't provided a reason or a time frame for when he could access his funds. He is unhappy with the service he received from Revolut. He wanted the account unblocked, his funds to be returned to him and compensation.

What happened

Mr S had an account with Revolut.

On 25 January 2020 Revolut reviewed Mr S's account and blocked it.

On 18 April 2020 some of the funds in Mr S's account were returned to source.

On 18 June 2020 all the remaining funds in Mr S's account were released.

Mr S complained to Revolut about the block on his account. Revolut said to Mr S that they were carrying out due diligence checks and needed to check the source of Mr S's funds.

Mr S has said that the money in his account comes mainly from gambling as he has no income. He said the restrictions on the account affected him financially, as he wasn't able to pay his bills, he relied on his friends and family to help him out. He also said it had affected him mentally.

Mr S complained to Revolut. He was unhappy that Revolut hadn't given him a reason for the block on his account or a timeframe for allowing him access to his funds. He said he wasn't getting replies to his chats or tweets complaining. Revolut didn't uphold his complaint they said they were reviewing his account and would get back to him when they had more information.

Mr S was unhappy with their response, so he brought the complaint to our service.

One of our investigators looked into the complaint. He said that Revolut acted correctly in reviewing the account and they were entitled to block the account. However, he thought that there had been some unnecessary delays and he awarded Mr S £150 in compensation for the distress. He said Revolut were not obliged to give Mr S reasons why they reviewed the account. The investigator thought that although Revolut could have responded to Mr S's queries more often, this would have not changed the position with his account or led to his funds being released sooner.

Mr S wasn't happy with our investigator's view. He said that Revolut's actions had caused him to be unable to concentrate on his studies and as a result he didn't take his medical exams for that year. So, he was unhappy with the £150 compensation.

Revolut agreed with the £150 compensation.

Our investigator said that he had considered Mr S's further comments but still thought the bank hadn't done anything wrong when they reviewed and blocked the account as they were complying with their internal processes. He thought £150 was fair compensation in the circumstances. Mr S had access to money to cover his expenses from family loans and Revolut weren't responsible for Mr S not being able to take his exams.

As there was no agreement the matter has come 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 have come to the same conclusion as the investigator for broadly the same reasons

I'll start by setting out some context for the review of Mr S's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. Revolut have said this is what they were doing when they reviewed and blocked Mr S's account.

Mr S has said that as a result the bank blocking his account he suffered financially and also mentally. Whilst I understand Mr S's strength of feeling, as I've already explained financial businesses have a legal obligation to comply with various laws and regulations. I have seen the evidence provided by Revolut and I can see that in blocking the account the bank were following an internal process which they carried out in order to comply with their legal and regulatory obligations. This was a legitimate exercise so I can't say Revolut was unfair.

Mr S's account was unblocked on 18 June 2020 with some funds returning to source on the 18 April 2020. Having looked at the evidence I can see that there was some unnecessary delay in completing the review on his account. Because of this the investigator awarded Mr S £150 in compensation.

I have considered the information Mr S has provided us about how the delay affected him. I appreciate that he didn't have access to his funds, and he has explained that this caused him to have to borrow money from friends in order to live. He has also mentioned that he was too stressed to take his medical exams.

I know it must have been upsetting and embarrassing for Mr S to have to borrow money, but I agree with the investigator that £150 is fair and reasonable to put things right. I say this because Revolut were actively carrying out the review of his account during most of the period Mr S's account was blocked. I accept they delayed the return of some of his funds to him but I'm satisfied Mr S had access to other money through loans from his parents and friends.

Although I understand not having access to his money caused Mr S stress and affected him mentally, I can't say that Revolut are responsible for him not taking his exams. In summary I am satisfied that Revolut were entitled to review and block Mr S's account and I won't be asking them to do anything more.

Mr S has said he wants to know why his account was blocked by Revolut. Whilst Mr S may've expected to be given the reasons for the account block. Revolut isn't required to give

him a specific reason. So, I can't say Revolut have done anything wrong by not giving Mr S this information – as much as he'd like to know.

Mr S has said he was dissatisfied with the level of responses that he was getting from Revolut's chat team. I have reviewed the chats. I appreciate that Mr S wanted information about why his account was blocked and when he could have access to his funds. The Revolut team gave Mr S some information namely that his account was under review and they were making checks to comply with their legal and regulatory obligations, they said they were unable to give him a timeframe for the completion of the review. I appreciate Mr S would have liked more information, but I've already said that Revolut isn't required to give him specific reasons, so I think they provided him with as much information as they could, and I am satisfied this didn't impact when the review was completed, and the funds returned. So, I won't be asking Revolut to do anything else.

Putting things right

In summary I've already said that Revolut has procedures they *must* follow to comply with their legal and regulatory obligations. I'm satisfied that is what they were doing when they reviewed and blocked Mr S's account. I accept that Revolut could have returned funds to Mr S quicker than they did and I agree with the investigator and I think £150 to be fair and reasonable compensation to put things right.

My final decision

For the reasons mentioned above I partially uphold this complaint.

I direct Revolut Ltd to pay Mr S £150 compensation because it took too long to complete its review of Mr S's account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 September 2020.

Esperanza Fuentes
Ombudsman