

## **The complaint**

A a limited company, complains that following a review Revolut Ltd, closed its account without giving a reason. A wants to know the reason for the account closure. A is represented by its director Mr T.

## **What happened**

A opened a business account with Revolut on 14 September 2018. Following a review Revolut decided to close A's account with immediate effect on 21 September 2018. A wasn't given any reasons why the account was deactivated.

Mr T says A spent the equivalent of £5,000 in labour costs designing and programming the interface with Revolut. He wanted to know the reason A's account was closed.

So, Mr T complained to Revolut. He said the account had been operational but after the first transaction of 10 Euros his account had been suspended.

Revolut didn't uphold the complaint. They said they were entitled to review the account and close it under their terms and conditions.

Mr T was still unhappy as he hadn't been given a reason. So, he complained to our service.

One of our investigators looked at the complaint. Our investigator didn't uphold the complaint. He thought Revolut was entitled to review A's account and close it. He didn't think Revolut needed to give a reason for the closure. So, although this was inconvenient to A, Revolut did nothing wrong.

Mr T didn't agree. He thought the account had been closed accidentally by Revolut. He said he still wanted to know why the account had been closed with immediate effect. And he said A hadn't breached the terms and conditions.

Our investigator said that although Mr T may have thought Revolut acted in error. He had reviewed the evidence and the terms of the account and was satisfied Revolut hadn't made an error. Revolut had reviewed the account and decided to close the account in accordance with the terms. He also said Revolut weren't obliged to give him a reason for the closure.

Mr T was still unhappy and wanted the precise information why his account was closed. As there was no agreement the matter has come to me for 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 have reached the same conclusions as the investigator and I will not be upholding the complaint.

#### *Account review and closure*

I'll start by setting out some context for the review of A'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. I am satisfied Revolut were complying with these obligations when they reviewed A's account.

After the account review Revolut told Mr T it was closing A's account with immediate effect. As the investigator explained it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. A bank is entitled to close an account with a customer just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

I have looked at the terms and conditions of the account and Revolut does have the option of closing an account with immediate effect under section 30 of the business terms and conditions. Having looked at them and the evidence provided I am satisfied Revolut were able to close the account with immediate effect. So, I don't think Revolut did anything wrong when they closed the account.

#### *Reasons for closing the account*

Mr T has suggested that as he hasn't been given a reason, the closure of A's account may have been an error on the part of Revolut. I appreciate that Mr T is upset and frustrated by the closure of the account and not being given a reason. However, having looked at the evidence I am satisfied that Revolut did not make an error when they reviewed and closed A's account. And whilst Mr T may've expected to be given the reasons for the closure, Revolut isn't required to give him a specific reason for closing the account. So, I can't say Revolut has done anything wrong by not giving Mr T this information – as much as he'd like to know.

In summary, I realise Mr T will be disappointed by my decision, but overall, based on the evidence I've seen, I can't say Revolut has acted unreasonably and treated Mr T unfairly when it closed his business account.

#### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 11 February 2021.

Esperanza Fuentes  
**Ombudsman**