

## **The complaint**

Mr S is unhappy Revolut Ltd blocked his account and upon closing it, sent the money in the account back to source causing him inconvenience and a financial loss.

## **What happened**

Mr S's account was blocked for a review on 2 September 2019. Over the next week he was asked by Revolut to provide numerous bits of information about various payments into his account. He complied with these requests at the time, but his account remained blocked until 9 October 2019. He was told on this date that his account had been closed and the funds remaining in his account had been sent back to source – i.e. the accounts where they had come from.

Mr S has explained he couldn't pay for food or rent whilst his account was blocked. And although he received the majority of his money back, he went through a great deal of inconvenience trying to track it all down. He has explained he suffered a loss of 727.96 USD due to bank charges and exchange rates, as well as 50 Euros which wasn't returned to him by the company it was supposedly sent back to. I will refer to this company as W throughout this decision.

Mr S says that he was given a 500,000 Euro top-up limit in 2017/2018, so Revolut had given him advance permission to receive these amounts. And yet it then blocked his account in 2019 on several occasions and wanted to know details of all the transactions. He doesn't think this is fair business practice.

Unhappy with Revolut's actions, Mr S instructed a solicitor and they sent a pre-action letter to Revolut detailing Mr S's complaint and claim for losses. Revolut responded explaining that it had acted in line with the terms and conditions of the account when blocking and closing it and sending the money back to source. It therefore denied it owed Mr S any money for the losses he says he suffered.

Mr S says he accepts that the terms of the account allow Revolut to block and close it – although he doesn't agree with how long it was blocked for - but the terms don't say anything about returning the funds to source. He says he didn't agree to this and it is therefore illegal. He pointed out that if Revolut blindly send money back to the originators it will be lost and costs will be incurred, as has happened to him.

Mr S referred his complaint to this service. Our investigator didn't uphold the complaint, explaining that Revolut was following its legal and regulatory obligations, as well as the terms and conditions, in blocking, reviewing and closing the account. She was happy from what she'd seen that Revolut didn't cause any delays and that it had followed its procedure when choosing to return the funds in the account to source once the account was closed. In relation to the 50 Euros, she explained that it had been sent back, but the account it had been sent back to had been closed. So, Mr S would need to contact the account holder, W, to obtain the money. She commented on an email Mr S had provided from W saying it hadn't received the money back, but would refund him anyway and it therefore seemed he wasn't at a loss.

Mr S disagreed. He re-emphasised that whilst he accepts Revolut can close and freeze his account, he doesn't agree that it should be able to send his money back to source some four months after it had been received. He also pointed out that he hasn't received the 50 Euros back as W didn't refund him as promised.

Our investigator responded confirming that she was happy Revolut followed the correct procedure when returning the money to source, so her opinion on the complaint remained unchanged.

Because Mr S disagreed, the complaint has been passed 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.

Revolut has a wide range of legal and regulatory obligations it must meet when providing account services to its customers. These obligations are ongoing so don't just apply at account opening stage. To comply with these obligations, it may need to review accounts and the activity taking place on them. Sometimes these reviews will lead to the accounts being blocked and closed. If Revolut didn't do this, it could risk serious sanction.

With this in mind, I'm satisfied Revolut was within its rights to block Mr S's account and carry out a review. I appreciate Mr S's comments around Revolut agreeing a top-up limit with him previously, but this isn't something that would prevent future questions around the payments into his account. Revolut may still need to check the source of those funds, as it did with Mr S on several occasions and this is something it is entitled to do.

Revolut was also entitled to close Mr S's account. It did so in line with its legal and regulatory obligations and, as Mr S accepts, the terms and conditions. Revolut has the discretion to offer accounts to who it wishes, just as Mr S can choose who to bank with.

I'm sorry to hear how Mr S was impacted by the block – I appreciate being without access to his money must've been worrying and difficult for him. Whilst I'm not in a position to say the blocking of the account was incorrect on this occasion, I've looked at whether Revolut could've acted any quicker than it did or done anything differently, including its decision to return the funds in the account to source. In order to comply with its legal and regulatory obligations reviews can take varying degrees of time. And having looked at what happened in Mr S's case, whilst it may not feel that way to Mr S, I'm satisfied Revolut completed its review within a timely manner and without any undue delays.

Whilst I appreciate the terms and conditions of Mr S's account don't make reference to Revolut being able to return funds to source, it is important to remember that Revolut has overriding legal and regulatory obligations it must adhere to, as I've explained above. And from what I've seen, I'm satisfied Revolut was entitled to take the action it did in the circumstances, i.e. returning the funds to the accounts they originated from, to ensure it was complying with these obligations.

In relation to the 50 Euro payment that Mr S says he hasn't received, I can see this was sent back correctly by Revolut to the originating account. The beneficiary bank has confirmed it has the payment, but as the beneficiary account is closed, it can't credit it unless contacted by their customer. Mr S will therefore need to take this up with W to obtain this money.

So, whilst I appreciate Mr S's strength of feeling on this matter and the fact he may have been impacted by Revolut's actions, I'm satisfied the actions it took on Mr S's account were done so in order to comply with its obligations. I therefore won't be recommending Revolut do anything to compensate Mr S.

### **My final decision**

My final decision is that I don't uphold Mr S's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 September 2021.

Sarah Brimacombe  
**Ombudsman**