

## **The complaint**

Mr B complained that Revolut Ltd blocked his account for around three weeks and caused him to lose money on an investment.

## **What happened**

Mr B opened an account with Revolut in March 2017. In December 2019 Mr B began transferring large amounts of money from his current account with another bank to his Revolut account. He carried out several of these transactions before Revolut blocked his account on 10 December 2019, in order to verify the source of the funds being transferred.

On the same day, Mr B provided Revolut with the information it requested. He tried to contact Revolut on a number of occasions, using its in-app chat facility, during the following week. He didn't get a response and so complained to Revolut on 17 December 2019.

Revolut responded and said its automated system flags certain transactions and this is why Mr B's account was placed under review. It said delays were caused by the high volume of enquiries at the time. Revolut said it would reimburse Mr B 15.98 EUR, which equated to two months premium plan fee. It also said it would deal with his review as a priority.

Mr B continued to try and contact Revolut but didn't get a response until 2 January 2020. It asked Mr B to resubmit some documentation he had earlier sent, as his name wasn't visible on it. Mr B sent what was requested to Revolut and the security checks were completed on the same day. So Mr B's account was unblocked. Mr B again complained to Revolut.

Revolut responded and said banking regulations meant it was required to continually verify consumers' income and account activity. However, it said it took an unacceptably long time to deal with the checks on Mr B's account, as it was understaffed. Revolut apologised and refunded a total of six months premium plan fees, equating to 47.94 EUR. Revolut said it wasn't liable for potentially lost opportunities or third party fees incurred as a result of the account being blocked.

Mr B was unhappy with the response from Revolut and so complained to this service. He said his account was blocked without good cause and he was unable to transfer investment funds he had committed to. And as a result he incurred late payment penalty charges. Mr B asked for Revolut to compensate him for the financial damage he suffered.

Our investigator partially upheld Mr B's complaint and asked Revolut to pay him an additional £50 compensation for the delays experienced. Revolut agreed to pay this additional amount. Mr B didn't agree with what our investigator said and so this has come to me for 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 am partially upholding this complaint.

I appreciate it must have been frustrating for Mr B to have his account placed under review at the point in time when he was trying to meet a deadline for an investment. But financial institutions, like Revolut, are required by the regulator to carry out checks as and when its systems flag transactions or accounts. And Revolut is allowed to completely block or limit access, as was the case here, while it carries out these reviews. This service won't interfere with financial institutions taking appropriate steps to meet their regulatory obligations.

I can see that Revolut includes information in its terms and conditions about the actions it might take if it's concerned about security, or needs to take steps to meet its legal or regulatory obligations. So I'm satisfied it's done enough to let Mr B know that situations like this one might occasionally happen.

Having said that, I would expect Revolut to deal with account reviews as quickly as it can, so as to minimise any inconvenience to consumers. I can see Revolut acknowledged there were staff shortages and backlogs, and this impacted on the time taken to carry out the review on Mr B's account. I agree with Revolut that it took too long to review Mr B's account. However, it's important to note that even though I think Revolut took too long to deal with this, it still needed to carry out the checks, irrespective of the length of time it took to do that.

Mr B has asked that Revolut compensate him for the losses he incurred as a result of not being able to meet his investment obligations. I sympathise with Mr B but Revolut's terms and conditions are clear that it won't do this if, for instance, the loss occurs because "*of a legal or regulatory requirement*". I think this is a fair term and while I appreciate the loss suffered by Mr B, I won't be asking Revolut to compensate him for any losses incurred.

But Revolut should compensate Mr B for the distress and inconvenience this has caused him. He had to wait longer than would reasonably be expected and he made numerous efforts to try and communicate with Revolut about this, but his queries went unanswered. I can see Revolut has already refunded six months' worth of account fees, equal to 47.94 EUR. I agree with our investigator that this is not enough and that Revolut should pay an additional £50 compensation to Mr B.

I know that Mr B also suggested Revolut compensate him in the same way he would have had to compensate it if he had held onto money for a three-week period that should have been paid to it. But I don't intend to ask Revolut to do this. There is no agreement between Mr B and Revolut that delays would be compensated for in this way, and I won't make a finding that might suggest there should be.

I understand that my decision will disappoint Mr B, but I'm satisfied that asking Revolut to pay an additional amount of £50 for distress and inconvenience is a fair outcome here.

### **My final decision**

My final decision is that I partially uphold this complaint and require Revolut Ltd to pay Mr B an amount of £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 September 2021.

Martina Ryan  
**Ombudsman**

