

The complaint

Mr H complains that Revolut Ltd blocked his account without warning and closed it. Mr H would like an explanation and an apology and compensation for the inconvenience of having the account blocked and closed.

I am aware that Mr H has a complaint regarding his company's business account which is being dealt with separately by this service.

What happened

Both parties to this complaint are well acquainted with the facts so I don't propose to go through the facts in detail. However, a brief summary of the situation is as follows:

- Mr H had a personal account with Revolut.
- On 7 November 2019 Mr H's account was blocked for a 48-hour period.
- Mr H's account was blocked on 3 January 2020. He believes the account was blocked in retaliation of his complaint that he raised regarding the blocking of his account in November 2019.
- Mr H's account with Revolut was closed on 29 May 2020. The funds in the account were returned to source.
- Mr H complained to our service
- One of our investigators looked at the complaint and issued two views
- Mr H was unhappy with the views so asked for an ombudsman's decision
- Mr H has provided a full document detailing the grounds of his complaint.

As there was no agreement the matter has come to me for decision.

In my provisional decision I said:

Mr H has mentioned other account holders in his submissions. However, I am only able to look at issues and provide a decision in relation to Mr H's particular case.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains information about other customers or security information. Some of the information Revolut has provided is information that we considered should be kept confidential, so I won't be sharing this with Mr H.

Mr H has made a number of quite detailed submissions and also sought answers to his questions about the nature of Revolut's investigations. I've considered all of these, but I don't consider it's necessary to address each and every point that Mr H has made in order to meet my statutory duty to determine his complaint. I'm required to do that with minimum formality, and so I'll address the issues that I consider to be the most important. I do stress however that I've considered everything that Mr H and Revolut have said before reaching my decision.

Mr H's first point and what he considers the most important is that Revolut are making false representations regarding regulatory breaches. Revolut uses an automated process- which Mr H says suspends accounts in error.

Mr H believes that Revolut closed his account following the blocks placed on his account in November and January in order to cover up an error in the suspensions of the account. He believes there is no evidence of regulatory risk because the block was triggered following the automated system.

Mr H has said he thinks Revolut are not providing accurate evidence. He has referred to Revolut's automated process and has provided links to media articles that deal with this point. I want to reassure Mr H that I have looked at these articles. Mr H says that after blocking an account through their automated process Revolut will then close the account either because of serious regulatory risk by the customer or to cover up mistakes made by their system. I appreciate that Mr H finds all this frustrating, but I haven't seen anything to doubt the accuracy of the information provided by Revolut in this case and I can only comment on this specific case.

Furthermore, Revolut are entitled to have systems in place as part of its business model. We are not the regulator of firms – so we can't tell Revolut how to run its business or how to design or implement its processes.

Mr H says that the use of the automated system breaches principle 2 of the FCA principles – the requirement that a firm conduct its business with skill care and diligence. I appreciate Mr H's strength of feeling but this service isn't able to comment on a firm's internal procedures that a business may put in place. If Mr H is concerned about any breaches of conduct by Revolut he should direct his remarks at the regulator, the FCA.

Having looked at the evidence I cannot agree with Mr H that his account was closed in order to cover up deficiencies in the automated system and/or to victimise Mr H for raising a complaint with the ombudsman service, or to avoid paying compensation for the account suspension. It follows that I won't be asking Revolut to pay compensation for this aspect of Mr H's complaint.

Account suspension

Mr H's account was blocked in November 2019 and in January 2020. Revolut have relied on its terms and conditions and in particular have referred to paragraph 24.

Paragraph 24 states:

"We may close or suspend your account immediately, and end your access to our website, in exceptional circumstances. Exceptional circumstances include the following:

- if we have good reason to suspect that you are behaving fraudulently;*
- if you haven't given us (or someone acting on our behalf) any information we need, or we have good reason to believe that information you have provided is incorrect or not true;*
- if you've broken these terms and conditions in a serious or persistent way and you haven't put the matter right within a reasonable time of us asking you to;*
- if we have good reason to believe that your use of the Revolut app is harmful to us or our software, systems or hardware;*
- if we have good reason to believe that you continuing to use your account could damage our reputation or goodwill;*

- *if we have asked you to repay money you owe us, and you have not done so within a reasonable period of time;*
- *if you've been declared bankrupt; or*
- *if we have to do so under any law, regulation, court order or ombudsman's instructions.*

We may also decide to close or suspend your account for other reasons. We would contact you through the Revolut app at least two months before we do this."

Mr H doesn't agree that Revolut can rely on this term to block the account. His argument is that Revolut's terms and conditions in particular paragraph 24 is an exhaustive list of exceptional circumstances and he has not breached anything on that list. I appreciate Mr H's point, but I disagree that the list is exhaustive because of the use of the word "include". This suggests that other exceptional circumstances exist. So, I can't agree with Mr H's interpretation.

Having looked at the evidence I am satisfied that Revolut didn't breach the terms of the account or paragraph 24 in particular.

As mentioned, some of the information shared with us by Revolut is confidential. Mr H thinks that the suspension of his account was an error, however Revolut didn't make an error when it blocked Mr H's account, it was following its legal and regulatory obligations.

Mr H has said he would like details of the exact law and regulations that Revolut has based its actions on. But Revolut aren't required to give any further reasons. Moreover, Revolut's obligations are broad and varied, and it isn't the case that one regulation or law only applies to the circumstances of Mr H and this complaint.

Mr H may wish to research firms' obligations and responsibilities, and how they relate to his circumstances and the decision Revolut have taken. As Mr H has asked about law and regulations, he may have already researched the matter. Because of his experience and background, I am sure he is aware of the position and no doubt why his account was blocked/terminated.

In any event our role is to see whether Revolut has made a mistake and if it has to put matters right. I've reviewed Revolut's actions and I'm satisfied it's acted correctly and also in line with terms and conditions of Mr H's account. From what I've seen, I'm satisfied Revolut have acted in accordance with what's required of them. There is nothing further I can ask them to do.

Access to forum

Mr H has complained that Revolut denied him access to the forum. I have looked at the terms and Revolut are entitled to (ii) terminate or deny access to and use of the Website to any individual or entity for any reason in Revolut's sole discretion. So, although I appreciate this was frustrating to Mr H and he doesn't believe that Revolut's objections to his posts are reasonable I don't think they've done anything wrong.

Closure of account

Mr H thinks that his account was closed maliciously by Revolut because he raised a complaint with FOS.

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. Unless there's a very good reason to

do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

I've first considered whether Revolut acted fairly when it closed Mr H's account. Revolut's terms and conditions allow it to close an account without notice. The terms and conditions outline that Revolut can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case Revolut closed Mr H's account without notice.

I have looked at the evidence regarding the account closure and I'm satisfied that Mr H's account was not closed because he raised a complaint with FOS.

For Revolut to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that the firm has applied the terms fairly. And it was entitled to close the accounts as it's already done. It follows that Revolut are not in breach of the terms and conditions as a result of the closure of the account and I will not be asking it to pay Mr H compensation. It also means that I don't think that Revolut has breached the FCA rules in particular Principle 6 the requirement to treat customers fairly.

Account funds

On 29 May 2020 Mr H account was closed, but his funds weren't returned. His funds were returned to source. Mr H is unhappy that he has suffered a loss equivalent of around £10 because Revolut returned his funds to source which included his credit card and two other sources.

Revolut have argued that they acted within the relevant regulations – and returned Mr H's funds to source. I'm surprised that Revolut didn't ask Mr H at any point to provide proof of his entitlement to his funds – which is something I'd have expected them to do. Revolut haven't provided any further information to indicate why they think Mr H isn't entitled to the funds. Indeed, when the funds were returned to source most of these funds were returned to Mr H as he was the source of some of the funds. So, although I accept that Revolut is entitled to return funds to source in certain circumstances I'm not satisfied that in this case they are justified in doing so.

Mr H has advised our service he has recovered all of his funds apart from Euros 90.59 which were returned to a third party. Mr H has said that he has incurred around £10 of losses through foreign exchange and loss of points on his card as a result of the funds being returned to source.

Customer service issues.

Mr H has said Revolut didn't inform him of the closure of the account. Mr H says the app was blocked due to the account being blocked. Mr H says there was no way of him accessing the notification that his account was closed.

I appreciate what Mr H is saying and I can see how it would be difficult for him to access the app and read the messages on it if his account had been blocked. Although I cannot influence or comment on Revolut's process I don't think that in this case Mr H received good customer service from Revolut in respect of the notice to close the account.

Compensation

I note that Revolut have offered Mr H £150 as a gesture of goodwill. I think this amount represents fair and reasonable compensation for the customer service issues he has experienced.

In addition, I think Revolut should compensate Mr H for his financial losses incurred when Revolut returned the funds to source which is Euro 90.59 and £10 together with 8 % interest from 29 May 2020 until the date the funds are returned.

I appreciate Mr H would like more compensation specifically he has referred to embarrassment he was caused as a result of the account being blocked. I appreciate that Mr H may have suffered embarrassment but since I don't think Revolut did anything wrong in respect of the account closure and block I won't be giving Mr H compensation for this aspect of his complaint.

Responses to my provisional decision

Revolut has made no comments to my provisional decision.

Mr H has agreed with my provisional decision to uphold the complaint and the compensation. He has disagreed on some points which I summarise below:

Mr H is unhappy that some of the information Revolut has provided is kept confidential. Mr H thinks that he should be able to see it so he can challenge it. Mr H thinks the information is erroneous.

Mr H says that none of the reasons to terminate or block the account apply to him.

Because Mr H hasn't seen the evidence, he disagrees that I can be satisfied Revolut acted in accordance with what's required of them.

Again, because Mr H hasn't seen the evidence, he is unable to agree with the conclusion that Revolut had acted fairly when they applied the terms for immediate closure. Mr H says that its implausible that Revolut can have a valid regulatory reason to close his account.

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.

I have reconsidered the evidence in the light of Mr H's comments.

I appreciate that Mr H hasn't seen the evidence that Revolut has provided and as I mentioned in my provisional decision some of the information is confidential. Mr H thinks that the information relied on by Revolut is erroneous. In view of his comments I have looked at the evidence again and I'm satisfied that Revolut acted fairly and applied the terms and conditions of the account correctly when they closed Mr H's account.

Putting things right

Revolut should pay compensation to Mr H as I outline below.

My final decision

For the reasons mentioned above I uphold Mr H's complaint. I direct Revolut Ltd to:

- Refund Mr H £10 and Euro 90.59 together with 8% interest from the 29 May 2020 to the date the funds are returned
- Pay Mr H 150 compensation for the inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 December 2021.

Esperanza Fuentes
Ombudsman