

The complaint

Mr A complains that Revolut Ltd blocked his account and returned the funds to source. He would like compensation for the delay and the inconvenience he experienced.

What happened

Mr A held an account with Revolut.

Revolut blocked his account on 23 January 2020.

Mr A said he had approximately £4,300 and €1,100 in the account.

On 30 June 2020 Revolut concluded the review closed the account and sent the funds back to the original source.

Mr A said he hadn't received all the funds. Mr A received £300 and £80. Revolut informed Mr A on 2 October 2020 that they had trouble returning the funds to source. Revolut finally returned the remaining funds on 22 June 2021.

Mr A complained to our service he said the retaining of his funds had caused him a lot of stress during the pandemic when his financial situation was difficult.

One of our investigators looked into the complaint. he thought Revolut should have done more to get the funds to Mr A. he did think Mr A had contributed somewhat to the delay because he delayed in responding to Revolut with the information they had requested. He thought Revolut should pay Mr A interest on the funds held between 30 June 2020 until the funds were released on 22 June 2021. Together with £200 in compensation for the stressful time he had endured being without his funds.

Revolut accepted the recommendation.

Mr A accepted that Revolut reviewed and blocked his account. He disagreed that he had contributed to the delay by not providing the relevant information. He said Revolut had already been sent that information previously when he had been requested to provide proof of source of funds in a previous set of transactions. Our investigator explained that Revolut were entitled to ask for this information again and as Mr A hadn't provided it promptly, he still thought some of the delay was because of this.

Mr A also thought that he should get 10 % interest and not 8% interest as suggested by our investigator. He also mentioned that he had needed to get a new loan to pay off his car as he couldn't now afford the repayments. He said he wouldn't have had to do this but for Revolut not giving him access to his money.

Our investigator replied that the rate of 8% was the standard rate the ombudsman service awarded, and he wasn't able to increase this.

He also reviewed information that Mr A provided regarding the loan. Having done so he concluded that because Mr A hadn't used the loan to pay off the car finance but used it to

make other payments which Mr A would have had to make, it was likely Mr A would have taken out the loan in any event so he couldn't say that Revolut had caused Mr A to have to take out the loan.

Mr A disagreed.

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.

Account review and block

Mr A has accepted that Revolut were entitled to review and block his account. As such I don't think I need to explain any further that Revolut were entitled to carry out this review and block of the account.

Return of funds.

Revolut have agreed that there was a delay in returning the funds to source.

Mr A has said that he disagrees he contributed somewhat to this delay. I have looked at the evidence before me and I'm satisfied that there was a delay in providing information to Revolut. There were delays between 23 January 2020 and 30 June 2020. I appreciate that Mr A says he had already provided this information in a previous occasion but as the investigator mentioned, Revolut are entitled to ask for information on each separate occasion.

Looking at the evidence I am satisfied that there was a delay in returning the funds to source from 30 June 2020 to 22 June 2021. These delays are due to errors made by Revolut. Revolut should pay Mr A interest at 8% for this period when he didn't have access to his funds. Revolut should also pay compensation of £200 because being without access to his funds was stressful for Mr A at a time when he was struggling for income due to the pandemic.

The loan

Mr A has told us that he would not have taken out a loan of £5,000 with his car finance company if he had had access to the Revolut funds. He said he took out the loan in order to pay for his car finance as he was unable to afford the monthly payments and had to reduce the payments he made for the car loan he had originally taken out.

I want to thank Mr A for providing all the information we have requested regarding the loan. I have looked at this information carefully.

Mr A told us he had taken out the loan to cover day to day spending as he had been borrowing from family and friends.

Looking at the evidence before me I don't think it would be fair to require Revolut to pay the costs of this loan because on balance I think Mr A would have needed to borrow the money in any event and I can see that the money wasn't used to repay the car loan.

Putting things right

I know Mr A will be disappointed with my findings. To put things right I think Revolut should pay Mr A £200 in compensation for the inconvenience he suffered. As well as interest of 8% from 30 June 2020 to 23 June 2021 when he didn't have access to the funds in his account.

My final decision

I partially uphold this complaint. I direct Revolut Ltd to pay Mr A:

- £200 compensation for his material distress.
- 8% interest from 30 June 2020 to 23 June 2021 when he didn't have access to the funds in his account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 January 2022.

Esperanza Fuentes
Ombudsman