

The complaint

Mr A complains Revolut Ltd unfairly blocked his account and didn't allow access to a payment he received from third party. He wants access to the payment and compensation.

What happened

Revolut blocked Mr A's account in late 2018 to conduct an account review. The block followed a payment made by a third party. The payment never credited Mr A's account, and Revolut said it returned the payment to the payer's bank. Mr A says the payment was for services he provides as part of his business. Revolut unblocked the account in April 2020.

An investigator considered Mr A's complaint and upheld it in part. They found:

- Revolut could block Mr A's account. It has important legal and regulatory responsibilities and the block was reasonable for these purposes.
- Revolut took too long to decide what to do with Mr A's account. It was nearly 15 months before it unblocked the account. Although the balance in the account was small, not having access to the account would have likely caused Mr A frustration over a prolonged period. Revolut should pay him £200.
- Revolut provided evidence to show the payment Mr A's customer sent was returned to source. And in the circumstances of this complaint, deciding to return the payment was reasonable.

Revolut agreed to pay Mr A £200. But Mr A wanted documentary proof the payment was returned. He says the payer didn't receive the payment back from Revolut.

The investigator said they couldn't provide the evidence Mr A wanted as it was provided in confidence. But they had reviewed a screen shot of the payment on Revolut's system which marked the payment as returned. This was enough to conclude the payment was returned for the purposes of Mr A's complaint. They said Mr A may wish to ask the payer for copies of their statements showing the payment was sent and not returned.

Mr A asked for a final decision from an ombudsman, so the complaint was 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.

I've decided to uphold Mr A's complaint, but I am not asking Revolut to do anything more than pay Mr A the £200 which it has already agreed to do. I'll explain why:

- Revolut must review accounts to comply with important regulatory and legal responsibilities. Those responsibilities generally concern monitoring accounts to

ensure activity is genuine, and to prevent financial harm where possible. And, it's common industry practice to restrict accounts when carrying out a review. I've considered Revolut's reason(s) for undertaking a review and restricting Mr A's account and find its decision was reasonable.

- Sometimes it will be appropriate for a firm to return a payment to the sender's bank. I understand Mr A might want to know Revolut's reason for returning the payment. He sent it information about payments which credited his account and tax information. But based on other information Revolut held, I find it was reasonable to return the payment. And Revolut is not obliged to reveal that information to him.
- Mr A wants documentary evidence the payment was returned to the sender. But I have decided to treat that evidence in confidence. I am afforded this power under DISP 3.5.9R (2). The Dispute Resolution Rules (DISP) set out our service's powers, and they form part of the Financial Conduct Authority's handbook. But in summary Revolut has a system record of the payment, which includes the payer's name and account information which is marked as returned. And I find this is enough to show the payment was returned and Revolut are not holding on to the payment.
- Mr A says the person who made the payment didn't receive it back. But my role is not to resolve this complaint in order for the person to send the payment to Mr A again. Instead, I need to decide whether Revolut did something wrong and if it did, what it should do to put matters right. I don't find Revolut needs to provide Mr A with a copy of its systems screen shot and there are good reasons for it not to.
- Revolut took too long to review Mr A's complaint. It had a backlog of accounts to review, but this is not a good enough reason for Mr A to have waited nearly 15 months without having use of his account. His account balance was low, and I haven't seen evidence to show the account block meant he had no other means to receive or make payments. So, I don't find he suffered a direct financial loss as a result of the account being blocked. But I do not doubt the length of time Revolut took was frustrating. And I find £200 is a fair and reasonable sum to make up for this.

Putting things right

I direct Revolut to pay Mr A £200 for the length of time it took to review and then unblock his account.

My final decision

I have decided to uphold Mr A's complaint. Subject to Mr A accepting this decision Revolut Ltd need to pay him £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 3 December 2021.

Liam King
Ombudsman