

The complaint

Mr H complains that Revolut Ltd blocked his accounts and took too long to return funds held in the accounts back to him. He says this caused him financial losses and upset. And wants Revolut to pay him compensation.

What happened

In August 2020, Revolut carried out a review of Mr H's accounts. And asked him to provide information about the funds in his accounts and how he was using them. Whilst it completed the review Revolut blocked Mr H's accounts, which meant he wasn't able to use the accounts or access the money in them.

Revolut completed its review on 14 September 2020 and Mr H was able to transfer just under 10,000 EUR out of his current account. However, on 16 September 2020, Revolut decided to conduct a further review of Mr H's accounts and asked him for more information regarding the source of the funds in his accounts and his income. Whilst it did the further review it blocked the accounts again. So, Mr H wasn't able to access the money held in them. Revolut removed the block in July 2021 – 10 months later. And released Mr H's funds back to him.

Mr H says the blocks to his accounts was inconvenient and meant he lost out on a property purchase he was trying to make overseas. He says because he couldn't go through with the sale, he had to forfeit an £18,000 deposit that he'd paid prior to his accounts being restricted. And he wants Revolut to refund this to him. Mr H also says he wasn't able to pay his rent and was evicted from his home. And his mental health suffered.

Mr H says he hasn't done anything wrong and provided Revolut with all the information it requested promptly. He says he had to constantly chase Revolut via its in app chat, trying to find out what was happening with his accounts, and Revolut didn't respond to him.

Mr H complained to Revolut. It said it hadn't done anything wrong when it had decided to block his accounts. But it accepted that the review of Mr H's accounts had taken longer than it should have due to backlogs it was experiencing. Revolut apologised to Mr H and offered him £75 compensation. Mr H wasn't happy with this response and brought his complaint to our service.

One of our investigators reviewed the complaint. She thought Revolut hadn't done anything wrong when it blocked Mr H's accounts. And said they'd acted in line with their legal and regulatory obligations. However, she said Revolut took too long to complete its review and could've done things much quicker. So, she said Revolut should pay Mr H £200 compensation for the distress and inconvenience this had caused him.

Revolut agreed. Mr H didn't. He wants more compensation for the anxiety and stress he suffered as a result of the blocks. He also wants Revolut to refund him the money he lost due to his failed property purchase. The investigator asked Mr H to provide evidence to support the impact Revolut actions had on him. Mr H provided some more information, but

the investigator said it wasn't enough for her to recommend Revolut should do anything more to put things right.

Mr H disagreed. So, 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.

Firstly, as the investigator has already explained, Revolut has extensive legal and regulatory responsibilities they must meet when providing account services to customers. And to fulfil these obligations they may need to review activity taking place on accounts and ask customers for information, for example about payments, and information about the individuals operating the accounts – it's entitled and obliged to carry out such checks. The terms of Mr H's accounts also permit Revolut to review an account and ask its customers for information.

The timing of Revolut's actions was unfortunate. Mr H says he was in the middle of trying to purchase a property in Dubai and had paid an £18,000 deposit to secure the sale when he discovered his accounts were blocked. Mr H also had to go to the trouble of collating and submitting information that Revolut requested about him and the source of his funds. So, I can understand why he found this whole experience with Revolut frustrating and upsetting.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Revolut to block Mrs H's accounts. Revolut has explained that this was its standard procedure, and I accept that it was. And I'm satisfied that in doing so Revolut were complying with its legal and regulatory obligations. This was a legitimate exercise. So, whilst I appreciate Mr H was inconvenienced when his accounts were blocked and reviewed, I can't say Revolut treated Mr H unfairly when it decided to restrict his accounts.

Turning to the issue of the amount of time Mr H's accounts was restricted. Mr H's account was blocked from September 2020 until July 2021. This is a considerable length of time and I can see from the in app chat that Mr H chased Revolut repeatedly to try and find out what was happening with his accounts. And that he had to wait 10 months for his funds to be released.

Revolut has accepted it didn't progress its review of Mr H's account between October 2020 and February 2021. And has explained this was due to backlogs. So, I'm satisfied that Mr H was caused some trouble and upset and I do think Revolut have caused unnecessary delays in releasing Mr H's funds. Revolut has apologised and offered Mr H £200 compensation. Mr H says this isn't enough to adequately reflect the amount of trouble and upset he's suffered. And due to the blocks on his accounts, he says he lost out financially too as a result of a failed property purchase.

I've considered what Mr H has said about how Revolut's actions impacted him and I've noted that despite being asked by the investigator to provide evidence to support the impact he says Revolut's actions had on him, he hasn't provided very much.

Mr H has provided an email which he says is between him and the property developer of the property he was attempting to buy, which states that the purchase couldn't go ahead due to Mr H not fulfilling his end of the deal, and that Mr H's deposit was forfeit. But this is dated September 2021, which was three months *after* Mr H had access to the money in his

accounts. So, it's not clear to me why Mr H didn't go ahead with the purchase at this time as he would've been able to use the money in his accounts to fund the purchase. I've also not seen any contract of sale or that Mr H paid a deposit of £18,000. So, it wouldn't be fair of me to tell Revolut to pay financial loss or compensation for something there's no evidence of.

Turning to awards for non-financial loss there isn't a set formula that we use to calculate awards for particular mistakes or poor service. It's my role to consider what impact Revolut's actions have had on Mr H and decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

In considering this, I note that Mr H hasn't provided any evidence that he was evicted from his home as a result of not being able to pay his rent due to the blocks on his accounts. So, I'm unable to take this into consideration.

Based on the evidence I have seen, I think it's fair to say the delays caused by Revolut when it reviewed Mr H's accounts caused Mr H worry and upset. And I agree some compensation is appropriate for this. I say this because Mr H had to spend time contacting Revolut and he had to wait 10 months for Revolut to release his funds. So, I can appreciate this would've been inconvenient and upsetting for him. And it's only right that Revolut recognises this. However, I'm satisfied that £200 is a fair amount of compensation and proportionate to the trouble and upset Mr H was caused. So, while Mr H may disagree with me, I'm satisfied that the compensation recommended by the investigator recognises the impact Revolut's actions had in the overall circumstances of this complaint. So, I won't be directing Revolut to do anything more.

My final decision

For the reasons I've explained, I uphold Mr H's complaint. To put things right Revolut Ltd should pay Mr H £200 compensation for the trouble and upset caused by the time taken for Revolut Ltd to complete its review of Mr H's accounts and release his funds.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 February 2022.

Ombudsman