

The complaint

Mr A complains that Revolut Ltd restricted and then closed his account without warning and won't refund a transaction he says he didn't make.

What happened

Mr A had an electronic money account with Revolut. In January 2021 Mr A contacted Revolut to say that he'd been the victim of fraud, and there were transactions on his account to gambling merchants that he didn't recognise.

He said he had been contacted by someone claiming to work for Revolut, wanting to carry out a security check. They came round to his house dressed in a Revolut t-shirt and offering a Covid vaccine but instead took copies of his ID and banking details. This led to several of his accounts being compromised. He asked for a refund of the money spent.

Revolut investigated what happened, and restricted Mr A's account while they carried out a review. They asked Mr A for more information, and Mr A regularly asked for updates in the chat.

Mr A complained about how long the review was taking, but Revolut said they were meeting their legal and regulatory obligations and couldn't provide an exact timescale on how long the review would take. After completing the review Revolut immediately closed Mr A's account. The funds in the account were returned to Mr A, but Revolut didn't refund the transactions in dispute.

Unhappy with this response Mr A referred the complaint to our service. Before it was investigated Revolut offered Mr A £20 for the inconvenience, which he declined.

Our investigator then reviewed the complaint but didn't think Revolut had been unfair to Mr A. They explained Revolut had certain legal and regulatory requirements they had to follow, which can lead to accounts being restricted and closed. They also agreed that Revolut's terms and conditions allowed them to close the account in the manner they did.

Mr A disagreed and asked for the money he disputed to be returned to him. As no agreement could be reached the case has been 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.

As the investigator explained Revolut, like all financial businesses in the UK, have legal and regulatory obligations they need to fulfil when providing accounts to consumers. Having reviewed all the evidence I'm satisfied Revolut acted in line with these obligations when they reviewed Mr A's account, and that they were entitled to do so under their terms. Mr A first reported the potential fraud, so it's sensible for a bank to put a block on the account while they look into it.

I've reviewed what happened on the account, I don't think it's unreasonable for Revolut to decline to return the funds. Generally, a financial business can hold a consumer liable for any payments they've either made themselves or agreed to – these are treated as authorised payments. Mr A is alleging a rather sophisticated fraud against him, but the details he's given don't seem credible.

It also seems unusual to me that such a sophisticated fraudster, having gained access to Mr A's Revolut account, apparently among other accounts, only made a few transactions to a gambling merchant over a few days. I would expect them to try to make use of the considerable balance on the account in a short period.

I also note that these transactions aren't out of character for the usage of the account up to this point. This leads me to the conclusion that it's more likely than not Mr A who made the transactions on the account. As such they would be considered authorised, and Revolut are under no obligation to refund Mr A for them.

The terms outline when Revolut can close an account. The terms allow them to end their relationship with Mr A, just as he can close his account with Revolut. I can see when they took this decision, they told him the same day. Which is what I'd expect.

I can understand why Mr A would be upset by this, but I consider the decision Revolut made to be reasonable. As such I wouldn't expect them to compensate him for distress that is a result of a reasonable course of action. Revolut returned the balance of the account to Mr A, which was a sensible course of action.

Overall, I haven't seen anything to suggest Revolut have been unfair or unreasonable in their decision to block and then close Mr A's account. And I'm satisfied they treated him fairly in declining to refund the transactions in dispute. Because of this, I'm not asking them to take any further action.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 25 May 2022.

Thom Bennett
Ombudsman