

The complaint

Mr G complains Revolut Ltd unfairly blocked his account following his fraud claim about two payments he didn't recognise. He also says they unfairly returned the balance in his account to previous payers to his account. He wants the payments refunded and his balance returned.

What happened

Our investigator covered the background facts of Mr G's complaint adequately. I find no need to repeat everything they said in full. But in summary:

- Mr G held a Revolut account. In November 2020 he contacted Revolut to dispute two payments to the same payee. He said he didn't make the payments and didn't know who the payee was. Revolut investigated the matter and decided to block the account to carry out a review.
- Mr G contacted Revolut via their online chat throughout the time his account was blocked. He wanted them to allow him to transfer his funds elsewhere and to know what was happening about his fraud claim. He also asked for wider information about Revolut and for personal information they held about him. He concluded Revolut had unlawfully taken his money.
- Revolut completed their review in January 2021. They decided not to refund the two payments Mr G disputed, to close the account immediately and to return the balance they held to previous payers to his account.
- During the time Mr G's complaint has been with our service Revolut made an offer of £20 to resolve the complaint without an admission of liability. Mr G refused the offer, so our investigator went on to consider the merits of his complaint.

Our investigator decided not to uphold Mr G's complaint. They concluded:

- Revolut didn't need to refund the payments Mr G had raised as fraud. The evidence on file indicated he likely consented to the payments. This was because:
 - Revolut's system records indicated his mobile phone was used to make the payments and whoever made them would have needed to know Mr G's Revolut passcode.
 - Mr G's communication with Revolut inferred that he had disposed of his old mobile phone when the payments were made, but he told our service he still used that phone at that time. It wasn't clear why he didn't correct Revolut on this point.
 - The person who received the payments made a small payment to Mr G in December 2020. This was very unusual if Mr G did not know who this person

was. It was also unusual that the alleged fraudster didn't try to take any more money from Mr G's account.

- Revolut could block Mr G's account to carry out a review. Their decision was made in line with their legal and regulatory obligations and wasn't unfair.
- Revolut could close Mr G's account in accordance with Revolut's terms and conditions. They had closed Mr G's account immediately and based on the reasons they provided to our service their decision was reasonable.
- Revolut had returned the balance in his account to source. He should contact the owners of the accounts to where the funds were returned if he believes he's entitled to the funds.

Mr G disagreed with the outcome our investigator reached. He asked for a final decision, so his complaint has been given 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 have decided not to uphold Mr G's complaint. I'll explain why:

- Generally, under the Payment Services Regulations 2017 (PSRs) Revolut should refund payments their customer didn't agree to. I can't know for certain whether Mr G consented to the payments, so I must decide whether I think it's more or less likely that he did.

On balance I'm persuaded Mr G likely agreed to the payments he subsequently raised as fraud. I say this because:

- Someone needed access to both Mr G's mobile phone and his unique passcode on his Revolut app. Revolut have provided persuasive evidence that this is how the payments were made. Mr G says no-one else had access to his phone and he never gave anyone access to his Revolut security details.
- The person who received the payments didn't try to spend any more of the funds in Mr G's account when they had ample opportunity to do so. They also made a later smaller payment to Mr G's account. I don't find this points to the payments being the result of fraud.

So, in the absence of another more plausible explanation as to how the payments were made, I find it's more likely that Mr G made the payments himself.

- Revolut have important legal and regulatory obligations they must meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarized as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Revolut will review accounts to comply with their responsibilities. And, it's common

industry practice for firms to restrict access to accounts to conduct a review - doing so helps prevent potential financial loss or harm. I'm satisfied Revolut acted reasonably by blocking Mr G's account and they didn't need to allow him to move the account funds elsewhere.

- Revolut decided to return the funds in the account back to the accounts of previous payers into the account. Based on all the information available to me I'm satisfied their actions were reasonable. Mr G said he doesn't recognise one of the payers. So, presumably he would also recognise that he has no claim on the large amount of funds paid into his account from that payer in September 2020 which totaled nearly £11,500. I do not find Revolut stole Mr G's money.
- Revolut has the commercial discretion to close customer accounts. Here, they closed Mr G's accounts with immediate effect. I have considered the terms and conditions applicable to closing an account immediately, and I find Revolut reasonably applied them in the circumstances of Mr G.

My final decision

I have decided not to uphold Mr G's complaint for the reasons I have given above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 August 2022.

Liam King
Ombudsman