

## The complaint

Mr C complains that Revolut Ltd blocked and closed his account without giving a reason. He didn't have access to his funds for 3 months. He would like his account reactivated, a reason and compensation.

## What happened

Mr C had an account with Revolut.

Revolut carried out a review of Mr C's account on 28 January 2021. Revolut asked Mr C to provide documents showing proof of entitlement of funds. Mr C provided some documents to Revolut.

Revolut blocked the account on 29 March 2021. It later closed the account on 13 April 2021.

Mr C says due to the block he didn't have access to his funds for three months.

Revolut told Mr C he could withdraw the balance on his account. Mr C transferred most of his funds on 14 April 2021. There is less than £2 remaining in the account.

Before we investigated the case Revolut offered Mr C £20 to resolve the case, but he declined this.

Mr C complained to Revolut. They said they were complying with their legal and regulatory obligations when they reviewed Mr C's account and asked for source of funds proof. They were not obliged to provide reasons for the review. In Mr C's second complaint to Revolut – Mr C said he wasn't happy to provide the information requested by Revolut.

Mr C was unhappy and complained to our service. He said Revolut hadn't been able to explain why the documents he had provided to them weren't enough to verify the source of his income. He also didn't want to give extra sensitive information on a chat with Revolut employees based outside the UK.

Mr C complained to our service. One of our investigators looked into the complaint. He thought Revolut had acted fairly when they reviewed and blocked Mr C's account. He said he couldn't ask Revolut to change its processes for verifying customers via the App as this was an internal matter for Revolut. He said as Revolut had acted fairly and hadn't caused any unnecessary delays he wasn't going to ask them to pay further compensation than the £20 offered.

Mr C was unhappy with the investigator's view. He didn't think £20 was enough. He said he was unhappy that the documents he was asked to provide had to be submitted through the chat function. He didn't think this was secure. Mr C says this aspect of the complaint hasn't been addressed by Revolut and they have closed his account because he raised a serious issue about how Revolut handle personal data. Mr C said he was looking for the reactivation of his account, an alternative way to provide the information Revolut requested and compensation of £520 for not being able to access his savings for three months.

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.

#### *Review and block of account*

I'll start by setting out some context for the review of Mr C's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied Revolut were complying with these obligations when they reviewed Mr C's account.

I can see that in blocking the account Revolut were following an internal process which they carried out in order to comply with their legal and regulatory obligations. This was a legitimate exercise so I can't say Revolut was unfair.

In addition, Clause 23 of Revolut terms and conditions allow Revolut to review an account. So, I'm satisfied Revolut acted fairly when it reviewed and blocked the account.

#### *Account closure*

It's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

I've considered whether Revolut acted fairly in closing Mr C's account. I've looked at the terms and conditions of his account and I'm satisfied they did. The terms and conditions outline that Revolut can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case Revolut closed Mr C's account without notice. For Revolut to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that the bank has applied the terms fairly. And it was entitled to close the accounts as it's already done.

I know Mr C thinks Revolut closed his account because he raised issues about how they handle personal data. I haven't seen any evidence of this. Having looked at the evidence

Because I think Revolut have acted fairly when they closed the account, I won't be asking them to reinstate Mr C's account.

#### *Reasons*

Mr C has said he wants to know the reasons why Revolut blocked and closed his account.

Whilst he may have expected to be given the reasons for the closure, Revolut isn't required to give him a specific reason for closing the account. So, I can't say Revolut has done anything wrong by not giving Mr C this information – as much as he'd like to know.

#### *Proof of entitlement documents*

Mr C is unhappy that he was asked to upload sensitive documents onto the App. He said he wasn't going to do this. He doesn't think Revolut have given him an explanation why he has to do this or reassurances about the safety of this method.

I am sorry that Mr C is unhappy with Revolut's processes. The investigator has said we can't comment on how Revolut chooses to communicate with its customers. This is a matter for Revolut. And I agree with this analysis. If Mr C continues to be unhappy with the way Revolut chooses to require its customers to upload documents, then I suggest he takes this up with the Information Commissioner's Office (ICO).

#### *Funds remaining in the account*

Mr C withdrew most of the funds in his account on 14 April 2021. However there seems to be £1 and 0.09 ZAR left in his account. If Mr C hasn't already claimed these funds, he should liaise with Revolut to retrieve his remaining funds.

#### *Compensation*

Mr C has asked that Revolut pay him compensation for the three months he had no access to his funds. I have already said that Revolut didn't do anything wrong when they blocked Mr C's account so I can't award compensation for the impact of the block.

I understand that Revolut have offered Mr C £20 and I understand this is still available to Mr C if he would like to accept it. I leave it to Mr C to contact Revolut if he does.

In Summary, I know Mr C will be disappointed with my decision but for the reasons I have mentioned above I don't think Revolut have acted unfairly when they reviewed, blocked and closed Mr C's account. And I won't be asking them to do anything.

#### **My final decision**

For the reasons mentioned above I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 August 2022.

Esperanza Fuentes  
**Ombudsman**