

The complaint

Mr M complains about Revolut Ltd's actions when blocking and reviewing his account. Mr M is also unhappy about the fees charged to his Revolut account when making currency exchange transactions.

What happened

Mr M held a Revolut account. In October 2021, Revolut partially blocked Mr M's account while they reviewed it. Mr M said this was during a critical stage of purchasing a property. Between August 2021 – October 2021 Mr M made a number of currency exchange transactions totalling around £677,000. The transactions resulted in currency exchange fees totalling around £3,100. Mr M is unhappy as he said the currency fees weren't made clear to him before making the transactions. And he's since learned he could have paid for a premium service of around €10 to avoid paying any transaction fees.

Mr M complained to Revolut. He received some incorrect information on who he needed to refer his complaint to – and eventually escalated the complaint to our service. In the meantime, Revolut offered £100 compensation for the service Mr M received while trying to escalate his complaint.

Our investigator reviewed things and thought Revolut were entitled to block Mr M's account while they carried out their review and didn't think they'd caused any unnecessary delays. She also confirmed the currency exchange details were clear on the website and terms and conditions so thought Mr M ought to have realised what fees he would be charged. She did recognise the inconvenience of the misinformation Mr M received when escalating his complaint but thought £100 was fair.

Mr M disagreed. He said at the time he made the transactions; the app didn't make it clear what he would be charged. And while it was stated in the terms and conditions, it wasn't reasonable to assume all customers read them. Mr M wanted more compensation.

As an agreement couldn't be reached, the complaint has been passed to me.

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.

The account review and block

Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. Having looked at what's happened, I'm satisfied Revolut was complying with their legal and regulatory obligations when they reviewed, and partially blocked, Mr M's account for around 16 calendar days. So, I can't fairly say they've done anything wrong.

I've also noted Revolut only prevented Mr M from making external transactions while they carried out the review. I recognise how frustrating it must have been for Mr M to be unable to use his account. And I appreciate this would have put him in a financially challenging position, especially during a property purchase. But a bank can't always guarantee that funds in an account will be readily available as they have broader regulatory obligations with which they have to comply. I also haven't seen any evidence of Revolut causing unnecessary delays so I can't fairly uphold the complaint on this part.

The currency exchanges

Mr M was charged a significant amount of money in currency exchange fees, and says he wasn't appropriately notified of them. I've thought about this point carefully. I haven't seen any evidence of what Revolut's app displayed at the time Mr M made the transactions – but I am satisfied the fees were clearly displayed in the terms and conditions. I recognise Mr M says it's not reasonable to assume every customer would read them; but I can't fairly hold Revolut responsible for that.

What is important is Revolut made Mr M aware of the fees. I agree it would have been beneficial if the fees were clearly presented to Mr M before making a transaction, but as I have no evidence to support what information would have been presented, I've had to weigh up whether I think Mr M would have known through other means. And I think he should have. I say that because the fees were presented in the terms and conditions which Mr M accepted when opening the account – and he would have noticed the fees being charged each time he made a currency exchange – yet he continued to exchange more.

Customer service

Revolut didn't provide the best service when Mr M complained – and tried to escalate his complaint. As Mr M's account had migrated over to a different territory, Revolut gave Mr M the wrong information about what dispute resolution service he should contact. No doubt this caused added stress and unnecessary time working out who he could contact. I think Revolut's offer of £100 fairly reflects this inconvenience and I won't be asking them to pay anything more.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

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

Hayley West
Ombudsman