

The complaint

Mr F complains that Revolut Ltd blocked his account then closed it without giving him sufficient notice. He'd like compensation for the impact caused to him.

What happened

Mr F had an e-money account with Revolut.

Mr F also had a trading account with Revolut. However, Mr F's trading account was managed by a separate legal entity – this means if Mr F wants to complain about the selling of his shares he'll need to raise a separate complaint.

On 15 July 2020 Revolut asked Mr F for documents as part of a due diligence check. Then on 5 August 2020 Revolut restricted his account.

Mr F explained he'd been trading via his Revolut account since March 2020 – and he's also been investing on behalf of friends and family.

Mr F provided a number of documents to Revolut but they weren't satisfied with the documentation provided and made the decision to close his e-money account on 16 November 2020 and Mr F was asked to move his funds out within 24 hours.

Mr F wasn't happy with Revolut's actions. He explained the block and subsequent selling of his shares cost him £40,000.

Revolut reviewed Mr F's complaint but explained they'd acted fairly in restricting and closing his account. They explained that Mr F's breached the terms and conditions of his account by investing money from others.

Mr F wasn't happy with Revolut's response so complained to our service.

On Mr F's complaint coming to our service Revolut offered Mr F £50 compensation, but he didn't accept it.

One of our investigator's looked into Mr F's complaint. They thought Revolut acted fairly in blocking and closing Mr F's account – but thought that his funds should have been released much sooner – and by 1 September 2020.

Our investigator recommended that Mr F was compensated £50 plus 8% interest on Mr F's funds from 1 September 2020 to the day they were released on 17 November 2020.

Mr F didn't agree, and it was referred to me to decide.

I've previously reviewed Mr F's complaint and came to the same conclusion as our investigator but for slightly different reasons. I explained that Mr F's trading account was managed by a separate legal entity – which meant if Mr F wanted to complain about the selling of his shares he'd need to raise a separate complaint.

Mr F didn't accept my provisional decision. In response he said:

- He didn't invest on behalf of family and friends, instead he borrowed some money to invest – and used his own funds
- He experienced major losses because companies he invested in went bankrupt
- Revolut deprived him of the ability to invest elsewhere
- He'd like to understand the procedure which determines why 25 days is considered the right timeframe for the review to be completed
- He'd like a clear explanation as to the legal basis for the redress awarded
- He'd like to understand what actions Revolut took when carrying out source of funds checks

As Mr F didn't accept my decision I've reviewed his response.

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.

Mr F's submitted extensive documentation to our investigator's view. I'd like to reassure Mr F that I've reviewed all the documentation he's submitted, including his response to my provisional decision. But, the majority of Mr F's comments relate to Revolut's decision to sell his shares and lost investment opportunities. For the reason I've already outlined, Mr F's trading account was managed by a different legal entity therefore I won't be able to comment on Mr F's investments in my decision.

Account restriction

Mr F's account was restricted on 5 August 2020. Revolut's terms are clear in detailing their ability to review accounts and suspend them when necessary – and I think they initially followed these terms and conditions fairly. It follows, I can't say they acted unfairly in blocking access to Mr F's account. However, I do need to think about whether the review was completed as quickly as I'd expect. Having reviewed the evidence supplied by Revolut and considered best practice in reviewing accounts – I think Mr F's account should have been unrestricted much sooner than it was. And by 1 September 2020 at the latest.

In restricting Mr F's funds until the 17 November 2020 Revolut deprived Mr F of access to his funds and the opportunity to invest them.

Mr F has asked how I calculated the 25 day timeframe regarding a reasonable time for the review. There's no set timeframe for how long a business should take to complete a review, and it'll depend on the individual circumstances of the case. Having looked at the activity Revolut carried out in Mr F's case I'm satisfied this should have been completed by 1 September 2020.

Account closure

Mr F's account was closed on 16 November 2020 with immediate notice. I've looked at the terms and conditions of Mr F's account, and the criteria allowing them to close Mr F's account without notice. I understand this will disappoint him but having done so I'm satisfied Revolut acted fairly in choosing not to give Mr F notice.

Putting things right

I've thought about the impact on Mr F from Revolut's actions in failing to release his funds by 1 September 2020. And I'm satisfied they deprived Mr F of access to his funds during this time – and in line with our usual approach they should pay Mr F 8% interest from 1 September 2020 to 16 November 2020.

Revolut offered Mr F £50 compensation for the inconvenience caused, and I'm satisfied this is fair compensation.

Mr F's queried the redress that's been awarded based on previous decisions issued by our service. I realise this case is very important to Mr F – and he'd like to receive fair compensation. Each case brought to our service is considered on its own merits. And having reviewed the impact of Revolut's actions on Mr F I'm satisfied 8% interest and £50 compensation is in line with what I'd expect Revolut to reward.

My final decision

My final decision is I uphold this complaint and direct Revolut Ltd to:

- Pay Mr F £50 compensation
- Pay Mr F 8% interest on any funds in his e-money account from 1 September 2020 to 16 November 2020

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 January 2023.

Jeff Burch
Ombudsman