

The complaint

Mr H complains that Revolut Ltd withheld funds he had received into his account.

What happened

Mr H owns and rents out a holiday property. In July 2021 he rented it out to a client who paid the rental fee of €9,000 to his Revolut account.

Revolut asked to see evidence of the source of the funds and indicated that, without that evidence, it might not be able to release funds to Mr H. Specifically, it asked to see copies of the client's bank account statements. Mr H thought that was unreasonable and said he thought it unlikely that his client would provide them. When the client did provide account extracts, Revolut said they weren't sufficient.

After further discussion, Revolut did agree to release funds on sight of the rental agreement. Mr H said however that he had been put to unnecessary inconvenience for which he should be compensated. He had also been concerned that the funds might not be released at all.

Revolut offered £20 and an upgrade of Mr H's account, which he did not accept. He referred the matter to this service, where our investigator recommended compensation of £100. Again, Mr H did not accept that and asked that an ombudsman review the case.

I did that and agreed with Mr H that £100 was not enough compensation in the circumstances. I recommended that it be increased to £250. Mr H said that he had nothing further to add; Revolut accepted my recommendation.

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 noted in my provisional decision that Revolut is entitled to carry out checks to ensure that money received into its customers' account comes from legitimate sources. It may be obliged to carry out such checks in some cases. I noted too that it is primarily for Revolut to decide what is appropriate, both generally and in specific cases. My role is to decide whether Revolut treated Mr H fairly in this case.

My concern here was that Mr H had pointed out – with some justification in my view – that his client would be unwilling to comply with Revolut's request. Most clients in a similar position might be reluctant to send bank statements to someone from whom they were renting holiday accommodation, especially if they knew too that those statements would be passed to a third party with which they had no relationship – in this case, Revolut. However, Revolut failed to address those concerns, instead repeating the request for copy bank statements. For these reasons, I thought Mr H should receive more compensation than that recommended by the investigator.

Revolut accepted my provisional decision, but I will nevertheless make a formal award, so

that Mr H can enforce it if necessary.

My final decision

My final decision is that, to resolve Mr H's complaint, Revolut Ltd should pay him £250.

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

Mike Ingram
Ombudsman