

Complaint

J (a Limited Company) is unhappy that Revolut Ltd ("Revolut") closed its account and then returned a number of payments to the original senders. J is being represented in its complaint by one of its directors Mr E.

Background

In May 2020, Revolut decided to close J's account after it had carried out a review of Mr E's personal account. When Revolut closed J's account it returned the funds remaining to the third-party banks which sent them in the first place, rather than releasing them to J.

Mr E, on behalf of J, was unhappy with Revolut's actions and made a complaint. Revolut looked at J's complaint and didn't uphold it. As J remained dissatisfied it referred the matter to our service.

One of our adjudicators looked into J's concerns. He didn't think that Revolut had done anything wrong or treated J unfairly and so didn't recommend the complaint be upheld. J disagreed and so the complaint was passed to an ombudsman for a final decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having carefully considered everything, I don't think that Revolut acted unfairly towards J and so I'm not upholding this complaint. I'll explain why in a little more detail.

It might help for me to explain that a financial institution is under no obligation to continue offering an account to a consumer if it doesn't wish to do so. And, after completing its investigation, Revolut decided it no longer wished to have J as a customer.

I know that J is unhappy that Revolut has closed this account. However, each financial institution has its own criteria and risk assessment for deciding whether to open or close accounts and providing accounts is a commercial decision that a financial institution is entitled to take. And while J is unhappy that this account was closed with immediate effect, I've reviewed Revolut's actions and I'm satisfied that it acted in line with the terms and conditions of this account when taking the action it did.

I realise this will be disappointing to J and I can appreciate why the closure of this account will have been inconvenient. However, I'm satisfied that J wasn't treated unfairly in relation to this matter.

It's fair to say that the main reason for J's unhappiness is down to Revolut returning the funds remaining in the account, at the time it was being closed, to the various senders. Mr E says he was provided with notice before his personal account was closed and if Revolut had provided similar notice here, J would have been able to remove the funds before they were returned.

However, Revolut had already blocked the funds in J's account. So providing notice won't have made a difference. Furthermore, having considered what Revolut relied on when deciding to send the payments in question back to the remitting banks, I'm satisfied that this was a reasonable course of action in the circumstances. And as J ought to know who sent the funds, I'm not persuaded it was reasonable to delete any records given J knew the funds had been returned, it can take the matter up with the respective senders of the funds if it believes that it is legitimately entitled to them.

Overall and having considered everything, I don't think that Revolut acted unfairly towards J and I'm not upholding this complaint. I appreciate this will be disappointing for J. But I hope that it will understand the reasons for my decision and that it will appreciate why Revolut was entitled to close this account and return the funds it did to the banks that sent them in the first place.

My final decision

For the reasons I've explained, I'm not upholding J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 7 November 2022.

Jeshen Narayanan
Ombudsman