

## **The complaint**

Mr S complains Revolut Ltd unfairly blocked and removed funds from his account, and then closed the account.

## **What happened**

Mr S held an account with Revolut. Revolut blocked his account to carry out a review and decided to return funds back to source. It subsequently closed the account.

Mr S says the person who held the account the funds were sent back to didn't receive them. They were also a Revolut account holder and their account was already closed when the funds were sent.

An investigator at our service concluded Revolut didn't need to refund the funds it removed. They said:

- Revolut acted in line with their legal and regulatory obligations by returning the funds back to source. It wasn't obliged to give its reasons to Mr S but based on the available information its decision was fair.
- Revolut didn't need to ask for proof of entitlement from Mr S as it confirmed the nature of its review meant it didn't require this information.
- Revolut was able to close his account.

Mr S responded and said the sender of the funds had also raised a complaint which wasn't responded to, so he couldn't get his funds back from them. He asked for a final decision by an ombudsman, so his complaint was passed 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.

I have decided not to uphold Mr S's complaint. I'll explain why.

Revolut have important legal and regulatory obligations they must meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarized as a responsibility to know their customer and verify their sources of income.

Revolut will review accounts to comply with their responsibilities. And, it's common industry practice for firms to restrict access to accounts to conduct a review - doing so helps prevent potential financial loss or other harm that might otherwise result. Revolut doesn't need to reveal why it's reviewing an account, but I have considered its reasons and find they were legitimate and blocking the account was reasonable.

Mr S says Revolut failed to ask him for proof of entitlement to the funds. I have considered its actions and understand why no specific information was asked for based on how the review had progressed and its nature. I understand of course why Mr S found this frustrating, but I'm not awarding him compensation on this point.

Revolut decided to remove the funds from Mr S's account and return them to source. I have very carefully considered its reasons for taking this action. And, again I find it had sufficient grounds not to allow Mr S to access the funds. I find their decision was in line with their legal and regulatory obligations.

Mr S says the person who was sent the funds couldn't gain access to them. Whether this is the case or not, my role isn't to consider Revolut's actions in relation to a third party, and whether that person should have been given access so that Mr S could obtain the funds this way. Ultimately, I find Revolut do not need to refund Mr S the funds they removed from his account.

Revolut could also close Mr S's account, and it was under no obligation to keep him as a customer. I find they closed the account fairly.

### **My final decision**

I have decided not to uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 October 2022.

Liam King  
**Ombudsman**