

The complaint

Mr D complains Revolut Ltd unfairly restricted his access to his e-money and cryptocurrency wallets. He says this caused him financial loss, inconvenience, and left him at times feeling suicidal. He wants compensation for what he went through.

What happened

Our investigator covered the background leading to Mr D bringing this complaint. In summary:

- Mr D held an e-money wallet containing fiat currency and a crypto-wallet containing various forms of cryptocurrency. Revolut placed a partial restriction on both wallets on 25 November 2020, followed by a full restriction on 3 March 2021, at which point they sold the cryptocurrency they held and deposited the proceeds into Mr D's e-wallet. They refunded him three months' worth of subscription fees in February 2021.
- Revolut asked Mr D for various bits of information and evidence between November 2020 and February 2021, which Mr D provided. They later decided to close both wallets and terminate their relationship with Mr D, who withdrew his funds on 22 April 2021.

Our investigator upheld Mr D's complaint in part. They found:

- Revolut acted in line with their legal and regulatory responsibilities when they blocked both wallets. But they took too long to conclude their review. As a result, they should pay Mr D 8% simple interest per annum on the balance of his e-wallet account starting from 25 November 2020 until 22 April 2021, and £200 for the impact their delay had on him.
- Mr D said Revolut unfairly cancelled crypto trades he tried to make while his crypto wallet was blocked. But historical records about the value of the cryptocurrency he held indicate his cryptocurrency was worth more when Revolut sold it – so he hadn't lost out financially.

He also said he should have been able to sell his cryptocurrency in April 2021. But the basis of upholding Mr D's complaint was because Revolut ought to have completed their review earlier, so a finding that they should have allowed him to sell his cryptocurrency later in April 2021 would be contradictory.

- Mr D says he didn't receive Revolut's final response letter when it was first sent. But Revolut sent him the letter again and he still referred his complaint to our service, so this wasn't a good reason to compensate him.

Revolut accepted our investigator's outcome, but Mr D didn't. He says he should receive greater compensation because of how Revolut left him feeling. He asked for a final decision,

so his complaint was given to me to decide.

In June 2022 I issued a decision on our service's jurisdiction regarding whether we could consider the part of Mr D's complaint about Revolut blocking his crypto wallet. I decided that we could consider this part of his complaint, as an ancillary activity. That decision still holds, and a copy is attached to the email which also attaches my final decision.

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've decided to uphold Mr D's complaint in part, but I am not awarding more compensation than what our investigator recommended. 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. After all, Revolut wouldn't know whether to allow Mr D access to his funds and cryptocurrency until they concluded their review.

I have considered why Revolut restricted Mr D's wallets to carry out a review, and I find the basis for their decision was a reasonable step to meet their responsibilities. Mr D may want to know the basis for Revolut's decision but there is no obligation for them to disclose their reason(s). So, I won't be revealing their reason(s) either.

Revolut should conduct a review and reach a decision without undue delay. After all, the longer Mr D didn't have access to his wallets, the greater the harm he could experience. Revolut haven't been able to explain significant gaps in their timeline between receiving information from Mr D and then carrying out the next steps of their review. So, I find they ought to have reached a decision sooner than they did, meaning Mr D should've been able to withdraw the funds in his e-wallet before April 2021

Mr D says the redress our investigator recommended doesn't fairly reflect the impact Revolut's actions had on him. I've listened to what he said very carefully, and I was sorry to hear in particular how he was affected in terms of his well-being. But I must make clear that any award of redress I make is not to penalise Revolut. Instead, I need to decide what is a fair sum to reflect the foreseeable impact their actions had on him. It's also for him to provide reliable evidence to demonstrate his losses.

Our investigator asked Mr D for evidence to demonstrate that the way he felt was caused by not having access to his wallets. But no medical evidence was provided. Neither has he provided persuasive evidence to show specific financial losses were caused by Revolut holding on to his funds for too long. So, I don't find a reliable evidential basis exists to award more compensation to Mr D than what our investigator recommended.

Revolut cancelled trades Mr D wanted to make and they sold his cryptocurrency in March 2021. But if they had allowed the trades to go through, historical records indicate he would not have received more than the proceeds Revolut deposited into his e-wallet. So, I don't find he experienced a financial loss due to not being able to make those trades.

Neither do I find there is a proper basis to conclude Revolut ought to have kept Mr D's cryptocurrency until April 2021 to allow him to sell it. I find instead that Revolut ought to have completed their review earlier than they did, and I am awarding compensation that flows from this loss. So, I am not awarding him the difference between the amount Revolut sold his cryptocurrency for in March 2021 to what he could have sold it for in April 2021.

Mr D said he didn't receive Revolut's final response letter when it was first sent, although I'm satisfied Revolut sent it. But regardless, Mr D did later receive his final response letter and he referred his complaint to our service. So, I don't find there is a good reason to award him compensation on this point.

Putting things right

Subject to Mr D accepting my final decision, I direct Revolut Ltd to:

- Pay £200 to Mr D. Due to the absence of persuasive evidence to the contrary, I find this represents reasonable compensation for the inconvenience and upset he likely experienced by not having access to his funds earlier.
- Pay 8% simple interest per annum on the balance they held on Mr D's e-wallet, starting from 25 November 2020 until 22 April 2021 when he withdrew his funds.
- Make payment of the above to Mr D within 28 days of him accepting my final decision.

My final decision

I have decided to uphold Mr D's complaint. Revolut Ltd now need to pay Mr D redress according to my above directions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 September 2022.

Liam King
Ombudsman