

The complaint

Mrs B complains that Revolut Ltd have paid for transactions she made from a wallet which should have been frozen.

What happened

Mrs B says that on 8 October 2021, she exchanged £700 into Turkish Lira (TRY), due to a beneficial exchange rate and because she was going overseas the following year. She says that on 10 April 2022, she was notified of a transaction from Revolut in TRY. She says that her Lira account should have been frozen and be unable to be accessed and that she had previously not been notified of a Lira transaction. When she checked her account, she saw that transactions had been debiting her account since 17 December 2021.

Mrs B says in the past, when she did not have enough money in British Pounds (GBP), the transaction was declined and then she would credit her account from her current account, as she says she uses her Revolut card like a pay as you go card and mainly for the benefits it offers while used abroad. She says she has tried to contact Revolut about this and asked for someone to give her a call back, but they said they do not offer call backs. Mrs B made a complaint to Revolut.

Revolut did not uphold Mrs B's complaint. They said she first contacted them through their in-application (app) chat on 11 April 2022 to report an issue with her account. She informed them she had recently bought TRY, however, she realised that her Revolut charges had all been in TRY instead of GBP, which left her with no TRY in her account. They said she was charged in TRY because at the time the charges were applied in the account, she did not have enough GBP to cover them.

Revolut said that when a customer does not have enough money in their main currency, their system will immediately look for the amount in another currency wallet. In this case, the system identified her TRY wallet to have enough funds to cover the charges, which is why there were TRY charges in her account. They sent her a link to their help centre to show her the information about the spending order. Mrs B brought her complaint to our service.

Our investigator did not uphold Mrs B's complaint. She said Revolut complied with the terms and conditions of the account and it was up to Mrs B to ensure she had sufficient GBP funds in her account. She said she had not seen any evidence to suggest the TRY wallet was deactivated, which meant this was an active currency that Revolut could charge.

Mrs B asked for an Ombudsman to review her complaint. She made a number of points. In summary, she said that the wallet holding the TRY was frozen as her friend showed her how to do this. She said Revolut always sent her notifications if a transaction was declined and then she would then top it up. She said that she took screenshots to show the money was there (in TRY) and so she wondered whether the screenshots can somehow show the account was also frozen.

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.

Mrs B has made a number of points to this service and I've considered and read everything she's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

I'd like to emphasise that this service is not the regulator. Nor do we act as the enforcer for the regulator. The regulator is the Financial Conduct Authority. Our service acts as an informal dispute resolution service for complaints about financial businesses. So I must be clear to Mrs B from the outset that I'm unable to instruct Revolut to contact their customers by phone if they ask them to, as how a business chooses to communicate with their customer is a commercial decision for Revolut to make.

I've noted the strength of feeling that Mrs B has about her TRY wallet being deactivated/frozen/restricted and therefore no money should have left this account. But I'm satisfied that the account wasn't frozen or restricted and I'll explain why. Revolut have provided a screenshot of her account with them. The screenshot shows an account restriction log and a card log. The card log shows when her card has been blocked or made active and these have entries after the events Mrs B has complained about. But Mrs B says that her account should have been frozen as opposed to her card being blocked, which is something different.

But there are no entries on the account restrictions screenshot. This is where it would show if the account was restricted, such as it being frozen, deactivated or restricted. So I'm satisfied that the account hadn't been frozen although Mrs B believes it had been. But that's not the only reason why I'm satisfied it hadn't been frozen. I've looked at the screenshot that Mrs B has sent us which shows the TRY money in her wallet. This shows she bought the TRY on 8 October at 16:39pm. The picture was screenshot on 19 November at 16:13pm. The screenshot also shows buttons where she could add money to this account or send money. These aren't greyed out or missing from the screenshot. So I'm not persuaded that if the TRY wallet was frozen/deactivated/restricted that it would display these options. And this is another reason why I'm persuaded the TRY wallet was never frozen, even though Mrs B thought it had been frozen.

I've then considered what Revolut's processes are for when there is not enough money to make a payment in GBP in her wallet. The terms and conditions do refer Mrs B to their frequently asked questions (FAQ) and include a weblink to their website. After clicking on this, it has different areas to look for information. One of these areas is for card payments. Here there is a section which relates to Mrs B's complaint – and the link that Revolut provided in their final response to her.

Under the *"which currency balance will be deducted for spending"* it says *"currency for the card payment is selected in the following order:*

- 1. The currency of the payment (e.g. if you are in the UK carrying out a transaction in Euro, we will deduct funds from your Euro balance)*
- 2. Your base currency (GBP), which is determined by your home address*
- 3. The next active currency with a sufficient balance"*

So as there wasn't enough GBP to take the funds for the purchases Mrs B made, these were often taken from the TRY instead of GBP. So I'm satisfied that Revolut followed their process in terms of where the funds would be taken from. This page also states that *"if there*

is no single currency wallet with sufficient funds, the transaction will be declined, even if there is enough money across your wallets in total". So I'm satisfied this is why Mrs B's previous purchases were declined prior to there being TRY in her account, as there wouldn't be any other wallets to take the money out of, and that is why these were declined. But in this instance, as there was TRY, this is why the transactions weren't declined.

I've considered what Mrs B has said about her not receiving notifications from Revolut about her purchases, so I asked them about this. Revolut have provided evidence that they had sent Mrs B notifications to her from when she first started using TRY. The notifications they sent me covered the period from 16 December 2021, when she withdrew cash and a further eight transactions after this (up to 5 February 2022). I did not ask for Revolut for further evidence of notifications after this date as they had proven that they had sent at least nine notifications to Mrs B over a two month period. And there's no evidence to suggest they stopped sending notifications after this date as Mrs B herself has said she received a notification from them in April regarding a transaction (albeit, I note this is the only transaction she says she received the entire time her TRY was being used to pay for things).

Revolut provided me an example of the push notification that they sent to Mrs B. This would have confirmed that she had spent an amount in a different currency and then showed the TRY value and the GBP value and it would name the merchant the transaction was made at.

So I'm persuaded that Mrs B was sent notifications showing her that the TRY was being used for the transactions. If Mrs B had changed the settings of her phone/app in an attempt to freeze the account, which ultimately was not successful, which resulted in her not receiving these notifications or she had network/phone issues resulting in her not receiving these notifications, then it would not be fair to hold Revolut responsible for this as this would be outside of their control.

It would also be Mrs B's responsibility to regularly check the transactions of the account. Section five of the terms and conditions of the account show that *"You can check all payments into and out of your account through the Revolut app. We will not make any changes to your account information. It will be available to you through the Revolut app while you are a customer..... We will send a notification to your mobile device each time a payment goes into or out of your account. You can turn off these notifications, but if you do, you should regularly check your payments on the Revolut app. It's important that you know what payments go into and out of your account, so we recommend that you do not turn off notifications."* So I'm satisfied that the app would have shown the transactions which were made in TRY also.

In summary, the evidence shows that the TRY wallet was not frozen at any point and that Revolut have proved that they sent Mrs B notifications about transactions which were converted into TRY, so she should have been aware of this, in addition to her having access to her transactions via the app. And Revolut acted in line with their published processes by following their *"which currency balance will be deducted for spending"* process. So it follows I don't require Revolut to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 3 January 2023.

Gregory Sloanes

Ombudsman