

## The complaint

Mr D complains that Revolut Ltd blocked access to his account, and returned his funds to source. He'd like the money refunded and compensation for the impact.

## What happened

Mr D had an account with Revolut.

On 6 and 7 July 2020 Mr D received two payments of 100,000 dollars and just over 86,400 euros into his Revolut account.

On the same day, Revolut blocked Mr D's access to his account. And on 7 July 2020 they asked Mr D for proof of ownership for the funds.

Mr D explained that the money was repayment for a loan he'd given his brother ten years earlier.

Revolut weren't satisfied with the evidence Mr D provided and on 20 August 2020 closed his account. They made a decision to return *all* of Mr D's funds to source, which was carried out on 13 October 2020.

Mr D complained to Revolut that they'd repeatedly asked him to supply the same documents, and he couldn't find just over 17,200 euros which the bank said they'd returned to him. And he didn't find the money until the 27 November 2020.

One of our investigators looked into Mr D's complaint, and they thought Revolut should have done more.

In summary they thought Revolut acted fairly in blocking the funds and returning them to source but they should have done some things better:

- They thought Revolut hadn't acted fairly in asking Mr D to open a euro account, and should have returned his 17,246.21 euros sooner and on 20 August 2020
- Mr D was caused distress by Revolut's misinformation on the 86,489 euros
- Revolut's communication with Mr D was very poor throughout their handling of his case. They regularly didn't respond for hours, weeks or days and this caused him significant distress.

Our investigator thought that Revolut should pay Mr D 8% interest on 17,246 euros from 20 August 2020 to 27 November 2020. And compensate him £400 for the inconvenience caused.

Mr D didn't accept our investigator's opinion, in response he said:

- The 100,000 dollars wasn't returned immediately and he should be paid interest up to

the date he was informed it was returned

- He wasn't given any information by Revolut
- The 13.25 euros wasn't returned to him and he doesn't think he keep searching for it

Our investigator reviewed Mr D's response, but didn't change their opinion. They thought £400 compensation was fair for the inconvenience caused to him, and were satisfied that the 13.25 euros had been returned to his account.

Mr D didn't accept our investigator's conclusions so it's been passed to me for a decision.

I reviewed Mr D's complaint but came to a slightly different conclusion to our investigator. I thought they'd acted fairly in returning *most* of his funds to source – but I didn't think Revolut had sufficient concerns, or asked enough questions to see if Mr D could provide suitable proof of entitlement for the funds present in his account prior to closure. And therefore I didn't think Revolut acted fairly in returning *all* of his funds to source. I thought Revolut should:

- Pay Mr D 8% on 17,246.21 euros from 20 August 2020 to 27 November 2020
- Pay Mr D £400 in compensation for the inconvenience caused
- Pay Mr D 13.25 euros plus 8% from 20 August 2020 to the date this is returned

I wrote to Revolut to explain my thoughts – and they accepted my recommendations.

### **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 considered Revolut's actions on restricting Mr D's account. I've looked at the terms and conditions of his account and the wider regulatory obligations Revolut need to comply with. Revolut's terms are clear in detailing their ability to review accounts and suspend them when necessary – and I think they initially followed these terms and conditions fairly. It follows, I can't say they acted unfairly in blocking access to Mr D's account. However, I do need to think about whether the review was completed as quickly as I'd expect.

Mr D's account was restricted on 7 July 2020 and they made the decision to close his account on 20 August 2020 and return his funds to source. I've considered the length of time they took to carry out the review and I think this was completed in a timely manner. I've also thought about the outcome of the review – and I'm satisfied Revolut's conclusions, that the evidence supplied by Mr D wasn't sufficient to show entitlement to the funds, were fair. Therefore I can't say they acted unfairly in returning 100,000 dollars and 86,489 euros to source.

However these aren't the only funds Revolut sent to source – they also sent just over 17,000 euros to one of Mr D's former accounts. Revolut have accepted my thoughts on this – however, I'll briefly explain my thinking in asking them to refund 13.25 euros and pay interest on both payments. I've considered whether Revolut asked Mr D for any proof of entitlement for the 17,246.21 euros. And I don't think they asked sufficient questions to determine if Mr D was entitled to the funds. It follows I'm not satisfied Revolut were entitled to send these funds to source, and they should have been released to Mr D on 20 August 2020 once the review was complete.

Mr D's argued that because he wasn't informed the 100,000 dollars had been returned to source he should be paid interest in the same form as the 17,246.21 euros. I'm afraid I can't agree with him here – as I've already outlined I think Revolut acted fairly in returning the funds to source. As the evidence wasn't sufficient to show Mr D was entitled to the funds. Because Mr D didn't evidence sufficient entitlement at the time of the review, I can't say he's been inconvenience by Revolut's actions in regard to the 100,000 dollars. And therefore I won't be awarding any additional interest payment.

I've also considered all the other payments returned to source including the 13.25 euros. Mr D's advised he's managed to obtain all of the payments returned apart from 13.25 euros. For the reasons I've outlined above Revolut shouldn't have returned all of Mr D's funds to source, including the 13.25 euros. Revolut have accepted they sent these funds to a closed account in Mr D's name – and Mr D's since been unable to obtain them. Which I find plausible. As Mr D remains without these funds, I think Revolut should also return these funds to him.

Mr D has been caused inconvenience by Revolut's actions. As outlined by our investigator they failed to respond to Mr D's requests for updates and didn't communicate as quickly as I'd expect between 7 July 2020 and when his account was closed on 20 August 2020. I also think Mr D was caused inconvenience by Revolut's decision to return *all* of his funds to source.

### **Putting things right**

I've considered our guidelines for distress and inconvenience awards, thought about the length of time Mr D was without his funds and the impact on him from the poor communication he received from Revolut. And having done so I think £400 is fair compensation.

### **My final decision**

My final decision is I uphold Mr D's complaint and direct Revolut Ltd to:

- Pay 8% interest on 17,246.21 euros from 20 August 2020 to 27 November 2020
- Pay Mr D 13.25 euros plus 8% interest from 20 August 2020 to the date this is returned
- Pay Mr D £400 in compensation for the inconvenience caused

Any tax lawfully due on the interest may be deducted if needs be, with the bank providing a tax deduction certificate to Mr D so he can claim it back from HMRC if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 5 January 2023.

Jeff Burch  
**Ombudsman**