

## **The complaint**

Mr T complains that Revolut Ltd closed his account without any notice or reason. Mr T wants compensation and his account reinstated.

## **What happened**

Mr T had an account with Revolut.

Mr T contacted Revolut when he realised his account had been blocked. Mr T complained to Revolut. It didn't uphold his complaint. It said it was entitled to review his account.

Following a review of his account Revolut wrote to Mr T telling him his account had been closed on 18 November 2020.

Mr T complained to our service. He thought it unfair that Revolut used an automated algorithm to suspend and close his account. He was unhappy that he couldn't communicate with Revolut through its app after his account was blocked. He thought Revolut was wrong to close his account without notice. He also thought Revolut hadn't treated him fairly as its required to do under Principle 2 of the FCA rules

Revolut offered £20 to settle the complaint. But Mr T rejected the offer.

One of our investigators looked at the complaint. He said Revolut hadn't done anything wrong when it reviewed Mr T's account and they were entitled to close Mr T's account according to the terms and conditions.

As Mr T disagreed with the view the matter has come 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.

### *Review and closure*

I'll start by setting out some context for the review of Mr T's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. These legal and regulatory requirements mean Revolut have to monitor their customers' accounts and may need to review an account at any time. While that is happening, they may need to block or restrict any payments.

This is reflected in Revolut's terms and conditions. These say Revolut can block an account or card to meet its legal obligations and delay payments if needed to carry out further checks. The terms and conditions of the account also allow Revolut to close and suspend accounts immediately in some circumstances. I am satisfied Revolut were complying with these obligations when they reviewed Mr T's account.

I can see that in blocking the account Revolut were following an internal process which they carried out in order to comply with their legal and regulatory obligations. This was a legitimate exercise so I can't say Revolut was unfair.

Mr T has said because Revolut uses an automated system it results in accounts being blocked unfairly. He has said that Revolut must comply with principle 2 of the FCA rules. I appreciate Mr T is unhappy about this, but I can only look at the actions Revolut took against him, not Revolut's wider processes as this is something for the regulator to look into. In this case I have looked at the evidence before me and I'm satisfied that Revolut acted fairly and in line with the terms and conditions of the account when it reviewed and blocked Mr T's account. It follows I don't think that it has breached Principle 2 of the FCA rules when it reviewed and blocked Mr T's account.

Following the review, Revolut informed Mr T that they would no longer be providing him with banking services.

As the investigator explained it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

A bank is entitled to close an account with a customer just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way, which complies with the terms and conditions of the account.

So, I've next considered whether Revolut acted reasonably in closing Mr T's account.

The terms and conditions of the account said Revolut could close and suspend accounts immediately in some circumstances, including where someone hadn't given it information it needed or where it was otherwise required to do so by law. For Revolut to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that it has applied the terms fairly. And it was entitled to close the accounts as it's already done. It follows I won't be asking Revolut to reinstate the account.

### *Reasons*

I know Mr T wanted to know the reason for the closure. Whilst Mr T may have expected to be given the reasons for the closure, Revolut isn't required to give him a specific reason for closing the account. So, I can't say Revolut has done anything wrong by not giving Mr T this information – as much as he'd like to know.

### *Customer service failings*

I appreciate that Mr T had difficulty contacting Revolut through the app. As a service we aren't able to require a business to use a particular method to contact its customers. This is an internal matter for the business to decide how it wants to keep in touch with its customers. Nevertheless, I appreciate that Mr T found it difficult to contact Revolut through the app.

Revolut have offered £20 compensation and I think this is fair. Revolut didn't act unfairly when it blocked and closed Mr T's account, so I won't be asking them to pay anything more.

### **Putting things right**

Revolut have offered Mr T £20 compensation. The investigator thought that the offer of £20 was fair in the circumstances. I share that assessment, and whilst I appreciate Mr T won't agree, I don't think it necessary for me to award any more.

### **My final decision**

For the reasons stated above I don't think Revolut need to do anything more to resolve this complaint.

I require Revolut to pay Mr T £20 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 16 December 2022.

Esperanza Fuentes  
**Ombudsman**