

The complaint

Mr H complains Revolut Ltd (“Revolut”) placed his account under review, restricted it, and then closed it without reason.

What happened

In April 2021, Revolut placed Mr H’s account under review and placed restrictions on the account. As part of its review, Revolut asked Mr H for several documents relating to his source of funds. It also asked him if he had had another Revolut account in the past.

Mr H provided Revolut with his salary slips and bank statements. He said as he was employed, his tax was taken out of his salary directly. And in the country in which he lives, he doesn’t have to provide tax returns for the first five years. Mr H also said he had not held another Revolut account.

Revolut told Mr H his source of funds documents had been approved and his account was now fully operational.

Around a week later, Mr H contact Revolut to tell it that his account has been restricted. He was unhappy as he thought the matter had been sorted out a week earlier. Revolut apologised but explained it was carrying out some further checks.

In May 2021, Mr H was informed by Revolut it would close his account and he could transfer funds out to another account if he chooses. In his chat with Revolut, Mr H said he was given 60 days to transfer the funds out.

Unhappy with Revolut’s actions, Mr H complained. As Revolut did not uphold his complaint, he referred it to this service. Mr H’s account was closed in June 2021.

Whilst Mr H’s complaint was waiting to be looked into by one of our Investigator’s, Revolut made him an offer of £20 as full and final settlement to resolve it. Mr H did not accept this as he wanted his account to be re-opened, and he felt it had made a wrongful assessment of him when carrying out the review.

One of our Investigator’s then looked into Mr H’s complaint. They did not uphold it. In summary, they said:

- Revolut has the right to review and block Mr H’s account – and it did so in line with its obligations and terms of account
- Revolut isn’t obliged to provide any notice or explanation
- Revolut’s review was carried out promptly and without delay
- Generally, it’s for Revolut to decide who it provides, or continues to provide, it’s services to. Revolut was entitled to close the account, and complied with its terms and condition in doing so

Mr H did not agree. In short, he said Revolut's reasons for closing his account were wrong despite the closure being in line with the terms of the account. Our Investigator said Revolut had commercial discretion - and was under no obligation to provide its reason for blocking and closing the account. They also said Revolut had provided this service with its reasons, and based on that, it had acted fairly.

Unhappy with what our Investigator said, Mr H asked for an Ombudsman to decide his complaint.

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.

Having done that, I've decided not to uphold this complaint. I know this will disappoint Mr H, so I'll explain why.

Regulated financial businesses' in the UK, like Revolut, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Having seen Revolut's reasons for reviewing Mr H's account, I'm satisfied it acted fairly, and in line with obligations placed on it when doing so. It's unfortunate that either the restrictions weren't lifted when Revolut said they were – or a second review was instigated shortly after.

Having carefully reviewed the information Revolut have given me, I can see why it carried out a second review. But, if it hadn't, there was reason enough for it to further consider its relationship with Mr H and keep his account under review.

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

Having carefully reviewed the terms, I'm persuaded Revolut acted fairly in applying them and closing Mr H's account. It also appears Mr H was able to transfer his funds out whilst the notice to close the account was in motion.

The crux of Mr H's complaint is that Revolut have not treated him fairly by closing the account, as his activities were not suspicious nor lead to any concern. Neither Revolut, nor I, are under any obligation, that I'm aware of, to disclose the reasons it took these actions. But I'm satisfied Revolut had reason enough to take the actions it did.

As Revolut did nothing wrong, and as it is free to choose its customer's, in the same way a customer is free to choose who it banks with, it does not need to re-open Mr H's account.

Lastly, and for the sake of completeness, I haven't seen anything that suggests Revolut caused undue delay in reviewing Mr H's account. So I don't award any compensation for that.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or

reject my decision before 18 November 2022.

Ketan Nagla
Ombudsman