

The complaint

Mr E complains about Revolut Ltd's actions when carrying out a review on his account.

What happened

In February 2021, Mr E's account was flagged for a review. It was suspended on the same day and Mr E was notified and asked to provide some information. Mr E submitted some information to Revolut, however they asked for further information on 17 March 2021.

Unhappy with the time it was taking, Mr E raised a formal complaint to Revolut on 8 April 2021. On the same day – 8 April 2021 – Revolut escalated the review to another department and on 13 April 2021 they made the decision to remove the restriction from Mr E's account.

Revolut upheld the complaint. To recognise the delays caused to Mr E they upgraded his account to a 'metal membership' and credited the account with 65CHF (around £50).

Mr E wasn't happy. He said he lost out on trading and had intended to invest around £6,000 and 7,000CHF, and he feels he lost out on a gain of around 83.75%. Mr E also complained that Revolut advertised a number of crypto currencies which didn't appear available to use. To put things right, Mr E wanted reasonable compensation, subscription fees reimbursed and written confirmation that Revolut wouldn't freeze his account again within certain trading limits.

While the complaint was awaiting allocation with our service, Revolut offered Mr E a further £50 compensation in an attempt to settle the complaint. Mr E rejected this offer.

Our investigator reviewed things and didn't think Revolut had to do anything more to put things right. In summary, she said Revolut were entitled to block the account and recognised the delay through the compensation and years' free membership upgrade. She didn't think it was appropriate for Revolut to pay Mr E for the potential losses of trading and she felt the compensation paid covered the loss of the subscription fee.

Mr E remained unhappy and asked an ombudsman to review things, so the complaint was passed to me.

In October 2022, I issued a provisional decision. In it, I said;

The account block

Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. Having looked at what's happened, I'm satisfied Revolut was complying with their legal and regulatory obligations when they reviewed Mr E's account in February 2021. So, I can't fairly say they've done anything wrong on this point.

However, I've recognised the time the review took – from 19 February 2021 to 13 April 2021. While we wouldn't usually give a certain timeframe that a review should be completed in, I'd expect the review to take place in a timely manner without any undue delays. I haven't seen enough evidence to satisfy me that Revolut were proactive in their review, and Revolut has also admitted there were delays by offering Mr E compensation. Overall, I think Revolut could have carried out and finalised the review sooner than they did. Because of that, I think compensation should be paid to recognise this delay, and I consider interest should be paid on the funds which were held in the account to recognise the loss of use of these funds.

I recognise Mr E wants Revolut to confirm they won't restrict his account again within certain trading limits, but I can't reasonably ask them to do that. I've explained above that Revolut are strictly regulated so if they consider a review is required at any time, they are under a duty to carry out the appropriate actions. I do however hope that Revolut will carry out any further warranted reviews in a timely manner to reduce any further impact to Mr E.

Loss of trading

Mr E has explained he wanted to invest and couldn't because of the restriction on his account. I've thought about this point carefully, and Mr E has told our service that he considers he would have been around 83.75% up, if he was able to invest like he wanted. While I can appreciate Mr E's position, it's not appropriate for me to ask Revolut to pay Mr E for his potential losses. These payments would have been investments – which pose a risk. And therefore, there isn't any guarantee that Mr E would have made the money he is claiming.

I also can't fairly uphold this complaint on the point that certain crypto trades weren't available – ultimately, it's not in my remit to say how Revolut should operate or what products they should offer.

Putting things right

Overall, I consider Revolut need to do more to put things right for Mr E. I've considered the compensation already made but don't think this fairly reflects the distress and inconvenience.

Firstly, I consider an interest payment of 8% simple should be calculated and paid on the amount held in Mr E's account from 19 February 2021 – 13 April 2021. This recognises the loss of use of the funds and while doesn't reflect the trading Mr E says he would have carried out, it is the current statutory interest rate on judgment debts and therefore, I consider it to be the fairest in the circumstances.

I'm aware Revolut paid Mr E 65CHF – and at the time they paid it in April 2021, this would have converted to around £50. They also upgraded Mr E's account to a metal membership which they say is the value of £155.88. Mr E didn't ask for the metal membership, and therefore while I appreciate Revolut's efforts, I don't think this is a reasonable way to compensate Mr E. I do, however, consider the value of the membership is appropriate so I consider Revolut should remove the upgrade from Mr E's account and pay him the equivalent value (£155.88). I don't consider they should make any deduction from this amount to recognise the time Mr E has had access to the upgraded service.

I also consider the subscription fees for the months Mr E didn't have full use of his account should be reimbursed – while I recognise Revolut were entitled to carry out the review, I think the delays meant Mr E couldn't access the account for longer than necessary and therefore it isn't fair that he continued to pay for the service.

So, I thought Revolut should likely:

- Pay interest at 8% simple per year on the amount they withheld from Mr E from the date they received the first information from Mr E (19 February 2021) up to the date they removed the restriction (13 April 2021).
- Remove the upgrade from Mr E's account (if it hasn't already expired) and pay him the equivalent value of £155.88.
- Refund three months of the premium plan fee to recognise the loss of use of the account for February 2021, March 2021, and April 2021.

Revolut didn't respond to my provisional decision. Mr E did. In summary, along with previous submissions he had sent to our service, he said:

- He doesn't believe Revolut made a new offer of £50 when the complaint was already with our service.
- He didn't think my provisional decision detailed the compensation which I thought he was entitled to. Mr E confirmed he'd spent over 30 hours on this issue.
- He considers, from the evidence he received, he would have been guaranteed the trades and therefore I should consider his losses.
- He confirmed he was able to move the money out of his Revolut account before the block so the 8% interest on the balance wouldn't be beneficial to him.
- He feels the refund of the subscription fee doesn't quantify the use of benefits which he should have received.
- He has worked out an appropriate level of compensation at £50 per day multiplied by 84 days affected and adding 8% interest to this amount means £4,292.05 compensation would be the minimum he accepts.

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.

Firstly, I appreciate Mr E has submitted a lot of arguments and evidence – some of which was received beforehand. I'm very aware that I've summarised the events in this complaint in far less detail than Mr E, and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I'd like to reassure Mr E that Revolut did make a new offer of £50 while his complaint was awaiting allocation with our service. The offer came in as a batch of offers involving other consumers which is likely why he didn't receive any correspondence relating to it directly – however, I can confirm the offer of £50 in an attempt to settle the complaint was a genuine, new offer from Revolut. As Mr E didn't accept it, our service continued to progress his complaint in the usual way.

I explained in my provisional decision that I hadn't seen enough evidence to satisfy me that Revolut hadn't caused any unnecessary delays while carrying out the review on Mr E's account. Because of that, I thought they should pay Mr E compensation. I considered the appropriate level of compensation when reviewing things at the provisional stage and thought the cost equivalent of the upgraded membership and a refund of the premium fees fairly reflected the level of inconvenience. Having reviewed all the evidence and arguments again, I don't consider further compensation is warranted. I've explained in more detail below.

I've reconsidered the evidence Mr E has provided in relation to his crypto trades, but I'm afraid I can't reasonably ask Revolut to pay this amount of loss. I appreciate Mr E showed his intent to trade, and it may be the case that the particular trades he wanted to participate in, did make money. But I cannot award loss which only *may* have happened. I know this will be difficult for Mr E to accept, but it's not reasonable for me to award financial loss on something which didn't actually take place. I also note Mr E had access to the money so I consider he could have found an alternative way to trade to mitigate his losses.

I appreciate Mr E's honesty in that he was able to withdraw the money before the block – and therefore the 8% interest I suggested won't be beneficial to him. I don't find any other alternative is appropriate in the circumstances as the interest payment would be to cover the loss of use of the funds in the account, however if Mr E had access to them, there is no loss to cover.

Mr E has rightly pointed out that refunding him for the subscription fee doesn't recognise the use of benefits he missed out on. However, I've found Revolut were entitled to block the account, so the benefits wouldn't have been available to him regardless. I'm asking Revolut to refund the subscription fee to recognise the delays in the review – and therefore it feeds into the overall compensation.

I've thought carefully about the method Mr E feels his compensation should be calculated. And I appreciate the time and effort Mr E has spent on this issue, and the impact it's had on him. However, it's not in my remit to punish businesses. Therefore, I have to make a decision based on what is fair and reasonable in the circumstances taking into account all the information provided by both parties.

Putting things right

I consider the appropriate redress to put things right is for Revolut to pay the cash equivalent of the upgraded membership they added to his account, and a refund of the three months premium service he paid for. I don't consider any further financial loss should be paid as it is apparent Mr E had access to the money in his account during the block, and I don't find it reasonable to award for potential losses through not being able to trade.

I do recognise that Mr E will be disappointed by my decision, but I won't be asking Revolut to pay anything else.

My final decision

My final decision is that I uphold this complaint. To put things right, Revolut Ltd should:

- Remove the upgrade from Mr E's account (if it hasn't already expired) and pay him the equivalent value of £155.88.
- Refund three months of the premium plan fee to recognise the loss of use of the account for February 2021, March 2021, and April 2021.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 5 December 2022.

Hayley West
Ombudsman