

## **The complaint**

Miss L complains that Revolut Ltd restricted her account and returned her funds to source. She'd like her funds returned and compensation for the impact.

## **What happened**

Miss L had an account with Revolut Ltd.

On 3 January 2021 Revolut received a fraud report from a third party bank I'll call B. They restricted her account and contacted Miss L on 15 January 2021 to ask questions about the payment.

Miss L explained she allowed a friend to sell a phone via an online site I'll call F and transfer the funds to her account. She explained that on receiving £550, she kept £50 and then sent £500 to her friend. Miss L said she later discovered that the friend hadn't sent the item to the buyer and unbeknown to her they were scamming people.

On 28 January 2021 Revolut returned the £550 to B. And following further review on 13 May 2021 Revolut returned £632.80 to Miss L, and £750.98 to other sources. Of the £750.98 sent to other sources, all apart from one payment was sent to members of Miss L's family. The payment not sent to a family member, for £450, was sent to someone I'll call Mr C. Miss L explained Mr C also purchased a mobile phone off her friend which wasn't delivered – so via another of her bank accounts she repaid him the £450. And Mr C had now been reimbursed £900 after only paying £450.

Miss L wasn't happy with Revolut's actions so complained to our service.

One of our investigator's looked into Miss L's complaint but they didn't uphold it. Our investigator explained that they didn't think Miss L supplied sufficient proof of entitlement for the funds and therefore they couldn't say Revolut had acted unfairly in sending £550 to B.

They also didn't think Revolut acted unfairly in holding onto Miss L's funds until 13 May 2021 and returning £750.98 to other sources. Our investigator explained that they didn't think the evidence Miss L had provided showed she'd returned Mr C's funds to him.

Miss L didn't accept our investigator's view. In summary she argued that Revolut shouldn't have sent her money to third parties without her consent. And she'd paid back Mr C already, so he'd been reimbursed twice.

As Miss L didn't accept our investigator's view it was passed to me to decide.

On reviewing Miss L's complaint I asked Revolut more questions about their actions when reviewing Miss L's account. I asked Revolut why £550 had been returned to B on 28 January 2021 but Miss L's funds hadn't been released to her until 13 May 2021. I explained to Revolut that I thought Miss L's funds should have been released to her on 28 January 2021 – and I think they should pay 8% on the funds from 28 January 2021 to the date of release, 13 May 2021.

Revolut agreed with my thoughts.

As I'd reached a slightly different conclusion to our investigator, I issued a provisional decision to both parties. I explained that I thought Revolut had acted fairly in returning the funds in Miss L's account to source. But they should have released her funds much sooner than they did.

Miss L didn't accept my decision – in response she reiterated the evidence she'd supplied was sufficient to show she'd sent £450 to Mr C. And therefore it wasn't fair Revolut had returned a further £450 to him.

### **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.

In my provisional decision I said:

#### *Disputed funds*

*Revolut received a fraud report on 3 January 2021. Miss L explained that she allowed a friend to use her account to receive payment for a phone – but she later realised it wasn't sent. And her friend was carrying out a scam. The funds, £550, were returned to source on 28 January. For me to say Revolut acted unfairly in returning the funds to source I'd need to see evidence that Miss L was entitled to the funds – however Miss L now herself accepts she isn't. And her friend was carrying out a scam. Therefore I can't say Revolut's actions were unfair.*

#### *Account restriction and return of remaining funds*

*I've considered Revolut's actions on restricting Miss L's account. I've looked at the terms and conditions of Miss L's 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 Miss L's account.*

*However, I do need to think about whether the review was completed as quickly as I'd expect. Miss L's account was restricted on 3 January 2021 and some of her funds were returned to her on 13 May 2021. I've thought about whether the review was completed as quickly as I'd expect. But I don't think it was. The funds in dispute were returned to the victim on 28 January 2021. I've asked Revolut why Miss L's funds weren't made available to her at this time, and they've accepted they should have also been released at this point. I therefore think that Revolut should pay Miss L 8% from the 28 January 2021 to the date her funds were released to her, 13 May 2021.*

*Miss L's complained that some of her funds were returned to other sources – mainly to other family members and one payment to another victim of a scam carried out by her friend. Miss L agrees that she's been able to regain the payments from her family, but argues she repaid the scam victim – Mr C – £450 on 12 January 2021.*

*Miss L provided our service a copy of a bank statement showing a £450 payment. However, looking at the statement I can't see the date – because this has been redacted – and even if I could I can't be sure that the payment was sent to Mr C as Miss L claims. Or in fact it was a return of the £450 payment he sent to Miss L in January 2021.*

*I understand this will disappoint Miss L, but I won't be asking Revolut to reimburse her these funds.*

Miss L's response:

Miss L didn't accept my provisional decision. In response she said she'd supplied a bank statement which shows she'd sent £450 to Mr C. And she sent in a further bank statement showing a £450 payment.

I've reviewed the statement, but I'm afraid it doesn't change my conclusions. As I previously outlined the date of the payment isn't clear – as the statement has been heavily redacted - and even if it was I can't be confident that this payment reimburses Mr C for the £450 he sent to Miss L for a phone, Miss L accepts, he wasn't provided.

I also need to consider if Revolut acted fairly in initially returning the £450 payment to source – and I think they did. Miss L has accepted she *wasn't* entitled to these funds – as a phone wasn't delivered to Mr C. I appreciate Miss L explains Mr C has now received £900, and she's unable to make contact with him to discuss reimbursement. But, this isn't something I think it's fair to hold Revolut responsible for.

I realise this will disappoint Miss L but for the reasons I've outlined above I won't be asking Revolut to refund the payment.

### **Putting things right**

I'm satisfied that Revolut should have released Miss L's funds much sooner than they did, so I'll be directing them to pay 8% interest on £632.80 from 18 January 2021 to 13 May 2021.

### **My final decision**

My final decision is I direct Revolut Ltd to:

- Pay Miss L 8% interest on £632.80 from 18 January 2021 to 13 May 2021

If HMRC requires Revolut Ltd to pay tax on this interest, Revolut Ltd should provide Miss L with a certificate showing how this is calculated if she asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 28 December 2022.

Jeff Burch  
**Ombudsman**