

The complaint

Mr H complains that Revolut Ltd blocked and then closed his account and returned the funds to source. He would like the funds returned to him and an explanation.

What happened

Mr H had an account with Revolut.

Following a review on 26 February 2021 Mr H's account was blocked. Revolut closed the account and returned the funds in the account to their original source on 30 March 2021.

Mr H was unhappy that Revolut blocked and closed the account. He was also unhappy his money had been returned to source, so he complained to Revolut.

Revolut said they had complied with their regulatory obligations and their terms and conditions when they took these actions.

Mr H was unhappy with Revolut's response, so he complained to our service. One of our investigators looked into the complaint. He thought Revolut had not acted unfairly when they reviewed and later closed Mr H's accounts and returned funds to source.

Mr H was unhappy with the view. He said he hadn't been asked to provide evidence as to the source of his funds. He didn't think it fair that Revolut had returned funds to source as he was now not able to recover those funds.

Revolut offered Mr H a partial refund of some of the funds it had returned to source amounting to £1,100 as well as £100 compensation. Mr H rejected the offer.

As there was no agreement 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.

Our rules allow us to receive evidence in confidence. We may treat evidence from firms as confidential for a number of reasons – for example, if it contains information about other customers or security information. Some of the information Revolut has provided is information that we considered should be kept confidential, so I won't be sharing a lot of detail with Mr H, but I'd like to reassure him that I've considered everything.

Account review and closure

Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. Having looked at all the evidence, I'm satisfied that Revolut acted in accordance with these obligations when it blocked and reviewed Mr H's account.

I then turn to Revolut's decision to close Mr H's account. As the investigator explained, it's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a financial institution must keep a customer or require it to compensate a customer who has had their account closed.

Under the terms of the account Mr H held, Revolut are entitled to end the relationship. I can see that they notified Mr H on their decision, so I can't say Revolut have done anything wrong.

Funds returned to source

Mr H is very unhappy that Revolut have returned the funds in the account to source. Some of the funds were returned to another account in his name. But he has highlighted a sum of around £2,200 which he says he is not able to get back. I appreciate Mr H is very concerned about this. Mr H has had to contact the recipients of these funds and on at least one case they have refused to refund him. Mr H feels he shouldn't be the one chasing people to get his money back. He believes Revolut should refund the money to him as they should never have sent it back to source.

I accept that Mr H has felt very frustrated by this situation. Sending funds back to source is a step which can risk detriment to a complainant so there needs to be a reasonable justification for doing so. So, I've gone on to consider if Revolut were justified in taking the action it did.

Having looked at the evidence that Revolut has provided to this service I am satisfied that Revolut acted fairly and in line with their legal and regulatory obligations when they returned the funds back to source. It follows I won't be asking them to refund the money to Mr H. I know Mr H will be disappointed with my decision, but I can't say Revolut have acted unfairly here.

I know Revolut previously made an offer to Mr H. As I've mentioned I don't think anything is warranted here, so I'll leave it to Revolut and Mr H to determine if this is still available should Mr H now wish to accept it.

My final decision

For the reasons stated above I do not 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 12 April 2023.

Esperanza Fuentes
Ombudsman