

The complaint

Mr W complains Revolut Ltd (“Revolut”) blocked his account, and sent the money held in it to another account which he did not authorise before closing it.

What happened

Revolut carried out a review of Mr W’s account in March 2021, by doing so it placed a block on the account.

Mr W was due to fly abroad shortly after this and says he needed the money for his travels. Mr W sent messages to Revolut on its banking app on a regular basis enquiring about the block and when he could get his money back.

On 21 April 2021, Revolut’s agent messaged Mr W on its online chat service. The agent explained Revolut had taken the decision to close his account and amongst other things, he could now send money held in his account to an external one.

On the same day around £1,550 was transferred from Mr W’s account to another account with his name as the beneficiary.

Mr W disputes sending this payment himself. He says Revolut processed the payment, but it wasn’t to one of his accounts. Revolut say Mr W made this transfer himself. Unhappy with what happened Mr W complained.

Revolut said it had closed Mr W’s account in line with its terms of account. And that Mr W’s closing balance was returned to his external bank account. As Mr W remained unhappy, he referred his complaint to this service.

Whilst Mr W’s complaint was waiting to be allocated for investigation, Revolut made him an offer of £20 to resolve the matter. Mr W did not agree.

One of our Investigator’s then looked into Mr W’s complaint. In summary, they found:

- Revolut’s decision to close Mr W’s account wasn’t unfair nor did it cause any undue delay
- Evidence from Revolut showed Mr W had set up the external bank account as a beneficiary in May 2020, with his first and second name as the beneficiary. A payment of £150 was also made to that account - which shows he was aware of it
- Revolut’s evidence shows Mr W used the same details to transfer funds from his Revolut account when it was being closed
- Revolut informed Mr W on 21 April 2021 that he could withdraw his balance within 60 days in its online app chat function at 10:18a.m. Mr W responded a minute later saying he no longer wanted to continue banking with Revolut anyway. The same mobile device was used when sending messages to Revolut – and there’s no evidence of another device being used

As Mr W didn't agree with what our Investigator said, his complaint has been passed 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.

Having done so, I've decided not to uphold Mr W's complaint. I know he feels strongly about this, and undoubtedly my decision will disappoint him – so I'll explain why.

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 looked at the information Revolut have given me, I'm satisfied it acted in line with the obligations it must follow by restricting the account. I'm also satisfied that Revolut didn't cause any undue delay throughout its review.

I'd also add that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Revolut has provided is information we consider should be kept confidential. I'm also aware of no obligation under which Revolut, or I, are under to disclose this.

Around five or six weeks after restricting Mr W's account, Revolut decided to close it and allowed Mr W to carry out some, albeit limited, functionality on the account. Mr W was given 60 days to withdraw funds from the account before it was closed.

Having reviewed the terms of the accounts, I'm satisfied Revolut acted fairly and reasonably by taking the actions it did to close the account in the way it did.

This brings me onto the crux of Mr W's complaint. That is he disputes having sent the closing balance himself to the third-party bank account already set-up as a beneficiary on his account.

Mr W says he doesn't hold an account with this other bank. I've checked with that bank, and I'm satisfied the account wasn't Mr W's. I have told Mr W about this, and the nature of the business that account is for. Mr W doesn't recall what it is, and why he would've have sent a £150 payment to it some ten months prior.

Generally, Revolut can hold Mr W liable for the disputed transaction if the evidence suggests it's more likely than not, he made or authorised it himself.

I'm satisfied from the bank's technical evidence that Mr W's online banking was accessed, and the payment made after a biometric authentication was carried out.

But the regulations relevant to this case say that is not, on its own, enough to enable Revolut to hold Mr W liable. So I also need to think about whether the evidence suggests it's more likely than not Mr W consented to the transaction of around £1,550. In other words, I need to determine, based on the evidence available, if it was most likely Mr W sent the closing balance himself or not.

Mr W has told me which model and brand of mobile phone he had at the time. I've looked

closely through all Revolut's technical information relating to the access to the banking app. Having done so, I'm satisfied the same mobile phone was used from January 2021 up until the account was closed in April 2021.

This data also shows this phone was used to log in throughout this period. It also shows Revolut's security protocols relating to identification of Mr W were passed. This is also true just a minute or so before the transaction was made from the app on 21 April 2021.

Mr W says nobody else had access to his phone, knew the password and he didn't write it down anywhere. The payment was made in the UK, and Mr W had returned from his travels by then too.

So, as it stands, it appears the same phone Mr W used to send messages to Revolut whilst his account was restricted, was the same one that was used to make the transfer of the closing balance. Mr W has also explained that there was no real point at which his phone's security could've been compromised.

Revolut's records show the transaction was made at 10:20a.m. This is within a minute of Mr W's message on Revolut's app chat function that he wasn't going to continue with the account after being told the funds can now be transferred out.

So, after weighing everything up, I'm persuaded on balance, it was most likely Mr W that authorised the transfer of his closing balance to an account already set-up as beneficiary on his Revolut app. As I think he most likely authorised this payment, Revolut do not have to refund it.

As I said earlier, I know Mr W feels strongly about his complaint, but I must reach my decision on the evidence available – and that is what I have done here.

My final decision

For the reasons above, I've decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 April 2023.

Ketan Nagla

Ombudsman