

The complaint

Mr T complains Revolut Ltd (“Revolut”) returned funds in his account to the senders which he was entitled to for work he had carried out.

To put things right, Mr T wants Revolut to refund the funds.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

Revolut blocked Mr T’s account in 2022 whilst it carried out a review. It then returned €3,150 that Mr T had received in 2018 and 2019 to two separate senders for the respective amounts they had paid him. In November 2022, Revolut notified Mr T it was closing his account.

Mr T says Revolut had no basis or legitimate reason to have returned the funds in this way as he had provided the services for which the senders had paid him for. Unhappy with Revolut’s actions, Mr T complained.

Revolut did not uphold Mr T’s complaint. In summary, it made the following key points:

- Mr T had been informed by Revolut’s support team on an online chat that the sender’s bank had contacted it and requested the funds be returned. Revolut had to return the funds
- Mr T was also informed that Revolut were unable to confirm the exact nature of the recall and he should contact the payer directly
- Revolut decided it could not continue to offer its services to Mr T and informed him of this. Revolut cannot reopen Mr T’s account and the balance is now at zero

Mr T referred his complaint to this service. One of our Investigator’s looked into it, and they recommended it wasn’t upheld. In short, their key findings were:

- Revolut acted in line with the terms of the account when carrying out its review and did so in reasonable time
- Revolut provided its reasons for returning the funds from Mr T’s account, and this can’t be shared with Mr T as it’s commercially sensitive. Revolut acted in line with its obligations and did so fairly when returning the funds. Revolut doesn’t need to provide an explanation

Mr T disagreed with what our Investigator said. In response he says he’s not complaining about the account being closed, but the €3,150 unfairly taken from him. He adds that there was no basis for Revolut to have done this, the funds related to payments for legitimate services he’d rendered and there was no court order instructing it to do so.

As there is no agreement, this complaint has been passed to me to decide.

What I've decided – and why

I'm very aware that I've summarised the events in this complaint in far less detail than the parties 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 do stress however that I've considered everything Mr T and Revolut have said before reaching my decision.

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 have decided not to uphold this complaint. 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 Revolut needs to restrict, or in some cases go as far as closing, customers' accounts.

Revolut has provided me with an explanation and information to show why it placed Mr T's account under review and restricted it. Having carefully considered this, I'm satisfied it did so in line with its obligations.

This brings me to the crux of Mr T's complaint – that is, that Revolut had no legitimate basis on which to return €3,150 to two separate individuals that had paid him in 2018 and 2019 for work he had provided them.

I'd like to assure Mr T that I understand why he feels so strongly about this. But having very carefully reviewed and considered the information Revolut have given me, I'm persuaded that it has acted fairly and reasonably in returning the funds. I know Mr T would like a detailed explanation, but Revolut is under no obligation to do so.

Revolut does however have to show this service why it acted in the way it did for us to determine if it's acted in line with its obligations and done so fairly and reasonably. And like I've said above, I'm persuaded it has.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated business 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.

Mr T has been clear that he isn't complaining about the closure of the account, so this isn't something I need to look into. But for the sake of completeness, I'm satisfied that Revolut acted in line with the terms of the account when closing it in the way it did.

As I don't think Revolut has done anything wrong, I see no basis on which to make an award for compensation for any distress and inconvenience this matter may have caused Mr T.

My final decision

For the reasons above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 July 2024.

Ketan Nagla
Ombudsman