

The complaint

M complains that Revolut Ltd (Revolut) undertook new checks and froze its account.

What happened

M opened its account with Revolut in 2019. On 16 March 2023, Revolut contacted M - and wanted to carry out new ID checks on its director. M's director didn't have the documents needed and Revolut stopped the account with the balance at £14,273 credit. On 18 April 2023, M's director managed to get confirmation of his residency and the account was unblocked.

M complained. It said it couldn't trade without the money. M said the requirements of Revolut were unreasonable. M's director had proof of residency but this had expired only a few days prior to Revolut's request. He showed Revolut he had applied for residency again - but the decision on that may take up to six months. He showed his provisional driving licence and council tax/utilities bill, but these weren't acceptable to Revolut. He said Revolut's actions amounted to discrimination and a violation of his human and property rights. M's director said he had been stressed and worried about what happened and had had sleepless nights.

Revolut said they undertook new checks from time to time. This was to comply with regulations. They could do this as it was contained within the terms and conditions of the account. Revolut said M's director still needed to provide a residency permit and a passport from an EEA country – and at the time of Revolut's final response (March 2023), these hadn't been provided.

M brought its complaint to us. Our investigator said Revolut acted reasonably. All firms needed to make checks from time to time and that's what Revolut had done. It was contained within the terms and conditions of the account. As it was, M's director managed to get proof of residency in April 2023 and the account was then verified and the account unblocked.

M didn't agree and asked that an ombudsman look at its complaint. So, it has come to me to make a final decision. **(continued)**

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.

At the outset I think it's important to say that all financial firms (including Revolut) which trade in the UK have obligations to undertake ID checks for their customers – this is part of their regulatory obligations.

We asked Revolut why they wanted to carry out new ID checks on M's director – when M had had an account since 2019. Revolut explained that their process is to undertake periodic reviews of all customers every two years. So M wasn't being singled out for a special check. And as all customers are treated in a similar way – I'm satisfied that there wasn't any discrimination as M's director has argued.

Revolut showed us their terms and conditions which say *"To meet our legal and regulatory requirements we...might sometimes need to ask for more information. Please provide this information quickly so that there is no disruption to your account or our services."* Therefore, I'm satisfied that Revolut were entitled to ask M's director for the information.

Revolut's policies say which forms of ID are acceptable to them. These include: a national ID card; an EEA passport; a full driving licence, or a valid residency permit. These are also set out in Revolut's terms and conditions which say *"If you're not a citizen of the country of your personal address, we'll need to ask for proof of your right to reside in such country (visa along with national passport or a residence permit)....Validity requirements:*

If your business is incorporated in UK, Switzerland or the rest of EEA:

- *National ID - valid for at least 1 month from date of application*
- *Passport - valid for at least 1 month from date of application*
- *Full driving license - valid for at least 1 month from date of application*
- *All other documents such as visa or residence permit - valid for at least 3 months from date of application"*

M's director argues that he showed his provisional driving licence and this was effectively the same as a full licence. But here - Revolut's policies are also clear - they needed to see a full driving licence, which M's director unfortunately didn't have.

M's director also argues that he showed Revolut his application for the renewal of his residency permit – and says Revolut should've accepted that. But here again - Revolut's policies are clear – they wanted to see a current residency permit, and unfortunately M's director couldn't show that.

I then considered what communications were sent to M ahead of the review. Revolut showed us that M would've received an SMS text and an email, asking M's director to log on and to provide the necessary information. This said *"....we've noticed that you are not originally from the EEA (European Economic Area), Switzerland or the UK. Would you please submit a residence card or a passport with Visa (except type C), issued by the European authorities, valid for at least 3 months after the date of submission? Alternatively, we may also accept a passport from the EEA, Switzerland or the UK...."*

I can also see from the chat transcript – provided by both M's director and Revolut – that Revolut's agent was clear about the regulations, and what the acceptable forms of ID were.

So - I'm satisfied that Revolut did communicate clearly what they needed to see. I noted that M's director couldn't show an EEA passport – as he's from a non-EEA country.

We asked Revolut why M's account was frozen in the way it was. They told us that in the first request for information, the email said, *"If you don't verify this information within [...] days we'll have to restrict transfers from your account until the check has been completed"*. I can also see that the terms and conditions say, *"Please provide this information quickly so*

that there is no disruption to your account or our services.” I’ve considered this – and I think that as Revolut did give advance warning that the account might be stopped if the documents weren’t provided, it was reasonable for them to restrict the account.

As it was, M’s director managed to provide his new residency permit and the account was unblocked on 18 April 2023.

I can see that M’s experience was a frustrating one, but having reviewed what happened here, I’m satisfied that Revolut acted reasonably. Therefore, I’m not asking them to do anything here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask M to accept or reject my decision before 24 July 2023.

Martin Lord
Ombudsman