

The complaint

Mrs R complains that Revolut Ltd blocked and closed her account. She would like a reason as well as a refund for fees and charges incurred.

What happened

Mrs R had an account with Revolut.

During August 2022 Revolut carried out a review of Mrs R's account. On 1 September 2022 Revolut wrote to Mrs R giving her 60 days' notice of their intention to close her account. Mrs R has said she wasn't given a reason for the closure.

She said she paid a service fee of £120 for one year's worth of service on 1 June 2022 but her account was closed on 31 October 2022. Mrs R also paid £39.99 for an additional card she didn't get a chance to use.

Mrs R was also concerned that she had had to sell her investments at a time not of her choosing because Revolut had decided to close the account. This meant she had lost money.

Revolut said they were entitled to close the account and relied on their terms and conditions.

Mrs R was unhappy with their response, so she complained to our service. She said she thought Revolut had made a mistake in closing her account.

One of our investigators looked into the complaint. He said Revolut were entitled to close the account and they had relied on their terms and conditions to do so. He said Mrs R didn't have to be given a reason for the closure, so Revolut hadn't acted unfairly in not giving her a reason. He thought Revolut should refund the additional card fee and a pro rata of the annual fee. He didn't think Revolut were responsible for Mrs R's investment losses as the account had been fairly closed.

In response to the view Mrs R said she didn't think Revolut had applied their terms correctly and she wanted to know the reason for the closure.

Revolut agreed with the view. They agreed to pay Mrs R £39.99 and a pro rata refund of her account fee together with 8% interest.

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.

I'll start by setting out some context for the review of Mrs R's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there

may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied Revolut were complying with these obligations when they reviewed Mrs R's account.

These obligations mean revolut have to monitor their customers' accounts and may need to review an account at any time. While that is happening, they may need to block or restrict any payments. This is reflected in Revolut's terms and conditions. These say Revolut can block an account or card to meet its legal obligations and delay payments if needed to carry out further checks. The terms and conditions of the account also allow Revolut to close and suspend accounts immediately in some circumstances.

I'm satisfied that Revolut acted fairly when they reviewed Mrs R's account.

Revolut proceeded to give notice to close the account on 1 September 2022. Revolut said it would close the account in 60 days but during that time Mrs R wouldn't be able to transact on the account other than to convert her holdings into her base currency and transfer out of the account.

As the investigator explained it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

I've considered whether Revolut acted fairly in closing Mrs R's account. I've looked at the terms and conditions of her account and I'm satisfied they did. The terms and conditions outline that the bank can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case Revolut in effect closed Mrs R's account without notice as she wasn't able to transact as she wished. For Revolut to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that Revolut has applied the terms fairly. And it was entitled to close the accounts as it's already done.

Mrs R has said she wants to know the reason for the closure of her account. She has suggested that as she hasn't been given a reason, the closure of her account may have been an error on the part of Revolut. I appreciate that Mrs R is upset and frustrated by the closure of the account and not being given a reason. However, having looked at the evidence I am satisfied that Revolut did not make an error when they reviewed and closed Mrs R's account. And whilst Mrs R may've expected to be given the reasons for the closure, Revolut isn't required to give her a specific reason for closing the account. So, I can't say Revolut has done anything wrong by not giving Mrs R this information – as much as she'd like to know.

Mrs R was unhappy that Revolut had charged her for an extra card and for the full annual fees when she only used her account for half the year. Revolut have agreed with the investigator that these amounts should be refunded and having looked at the evidence I agree this is fair and reasonable.

Mrs R has mentioned that because of the closure she had to liquidate her investment specifically her cryptocurrency and she incurred losses. Mrs R has said she wanted to transfer her Cryptocurrency to a friend, but Revolut would only allow her to liquidate this and convert it to her base currency.

I appreciate that Mrs R had to liquidate her investments at a time not of her choosing. I appreciate she may have incurred losses as a result. However, as I've said Revolut were

entitled to close the account and did so fairly, so although I acknowledge the losses, I can't say Revolut should compensate Mrs R for these losses.

Mrs R has said Revolut have breached the FCA principles in particular principle 2, 6 and 7.

Principle 2 says: *A firm must conduct its business with due skill, care and diligence.*

Principle 6 states: *A firm must pay due regard to the interests of its customers and treat them fairly.*

Principle 7 states: *A firm must pay due regard to the information needs of its clients and communicate information to them in a way which is clear, fair and not misleading.*

I think Mrs R is saying Revolut shouldn't have closed her account and because they haven't given her a reason for the account closure, it means they aren't treating her fairly or communicating with her in a clear and fair way.

I accept Miss R would like to know the reasons for the account closure and she disagrees Revolut have acted fairly in closing the account. She doesn't think they can rely on Clause 23 and 24 to do what they have done. However, I have looked at the evidence and I'm satisfied Revolut acted fairly when they closed the account. And as I've said before I don't think Revolut have done anything wrong by not giving Mrs R the reason for the account closure. It follows I don't think Revolut have breached the SRA principles.

In summary I appreciate Mrs R will be disappointed with my decision, but I don't think Revolut acted unfairly when they reviewed and closed Mrs R's account. And I don't think they are obliged to give Mrs R a reason for the closure, so I don't think they have acted unfairly.

Putting things right

However, Revolut should pay Mrs R £39.99 and a pro rata refund of her £150 account fee together with 8% interest for the time she was deprived of those funds.

My final decision

For the reasons stated above I partially uphold the complaint. I require Revolut Ltd to pay Mrs R £39.99 and a pro rata refund of her £150 account fee together with 8% interest for the time she was deprived of those funds.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 19 December 2023.

Esperanza Fuentes
Ombudsman