

## The complaint

Mr K complains about the way Revolut Ltd dealt with a transfer he sent from the US.

## What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

*Mr K holds a multi currency account with Revolut that allows him to deposit both USD and GBP. On 23 September 2022 Mr K used Revolut's online chat facility and explained he was planning to transfer around \$500,000 from an account in the US to his USD account. Mr K asked if there would be any issues in sending a wire payment of this nature. The agent Mr K spoke with gave timescales for the payment being received and paid into Mr K's account. The agent explained that Revolut may ask Mr K for evidence to show the source of his funds. No mention of any inbound transfer limits was made.*

*On 25 September 2022 Mr K used the chat facility again and asked whether there was a limit to the amount of USD he could convert to GBP once funds were received. The agent advised Mr K that as soon as the USD funds were in his account they could be converted to GBP. The agent added that Revolut would contact Mr K to request any additional information required to complete the transfer.*

*On 26 September 2022 Mr K's bank in the US sent a wire transfer to Revolut for \$475,000. Revolut returned the funds to Mr K's bank in the US the same day.*

*When the funds didn't appear in Mr K's Revolut USD account he used the chat facility again and spoke with an agent. The agent advised Mr K the funds had been returned as the transfer of \$475,000 had breached the ACH transfer limit of \$100,000. Attempts to trace the missing funds were made by Revolut and Mr K went back to his bank in the US.*

*The funds were credited back to Mr K's account with his US bank on 29 September 2022. But Mr K's explained that by this time, exchange rates had begun to shift substantially and went on to raise a complaint with Revolut.*

*In the days that followed, Mr K sent transfers of \$25,000 to his Revolut account, totalling \$100,000. Mr K sent the remaining \$375,000 via his US bank to another bank in the UK where he holds a USD account. Mr K's explained that because of the information Revolut gave him about ACH transfer limits, he sent the funds in batches of \$100,000. But because of the size and frequency of the transfers, the receiving bank (B) held the payments for further checks which added to the delay.*

*Revolut issued a final response on 28 October 2022 and said the transfer had been correctly rejected as it breached the \$100,000 ACH transfer limit. Revolut paid Mr K £150 as a gesture of goodwill but didn't agree to cover his foreign exchange losses. In addition, Revolut said Mr K was attempting to use his account for currency speculation purposes which was against the terms and conditions.*

Mr K referred his complaint to this service and it was passed to an investigator. They thought Revolut had dealt with Mr K's case fairly and didn't ask it to do anything else. Mr K asked to appeal, so his complaint was passed to me to make a decision.

I contacted both Mr K and Revolut for further information. Revolut went on to confirm that Mr K's funds were sent via a wire transfer, not an ACH transfer as claimed within the final response. I asked Revolut to show me where information about inbound USD transfer limits was noted in the account terms, its website or anywhere else. I also asked Revolut why no mention of transfer limits was made to Mr K when he used the chat facility to check arrangements. Revolut's responses didn't provide any guidance that showed how Mr K would've been aware of the transfer limits before he went ahead.

I asked Mr K what he did after the funds were returned by Revolut. As I've noted above, Mr K sent a total of \$100,000 to his Revolut USD account in batches of \$25,000. And Mr K sent the remaining funds in batches of \$100,000 to his USD account with B in the UK. Mr K has explained that there were further delays caused by the way transfers had been made to his account with B which meant he wasn't able to immediately convert them to GBP. And Mr K explained that he had converted \$250,000 into GBP leaving the \$200,000 in USD while awaiting the outcome of his complaint.

### **What I've provisionally 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.

As I've said above, I've been back to Revolut on a number of occasions to try and get an understanding of the transfer limits it uses for inbound USD transfers and where that information would've been available for Mr K. Revolut's responses have provided links to its website. But the linked section of its website refers to outbound transfers and isn't relevant to Mr K's case. I've looked at the information Revolut's website gives for customers wishing to receive transfers into their accounts. In the section called "Is there a limit on how much money I can add with a bank transfer?" the website says "There are no limits for adding money to your Revolut account by bank transfers." I've reviewed Revolut's website but couldn't find any reference to a \$100,000 inbound transfer limit for bank transfers.

Mr K took the step of talking to Revolut via its chat facility on two occasions before he made the transfer. Mr K was clear in explaining he intended to complete a transfer of \$500,000 (the actual transfer was for \$475,000) and specifically checked whether there were any issues that could cause problems. The agents Mr K spoke with confirmed Revolut may carry out compliance checks in terms of the source of funds being transferred, but no mention of transfer limits was made.

Revolut has recently pointed to a section of its account terms that says Sometimes we might limit how much you can receive into or pay from your account... But I'm not persuaded that, in its own right, was sufficient notice to Mr K that the transfer he intended to make would breach the limits Revolut uses and be rejected without further reference to him.

I'm satisfied that Mr K made reasonable enquiries to Revolut before he made the \$475,000 transfer on 26 September 2022. And, given the nature of Mr K's questions and size of his transfer, I'm satisfied the agents he spoke to should've told him about transfer limits that would stop him being able to proceed. Instead, the agents advised the only barrier to receiving the transfer could be a compliance check in terms of the source of Mr K's funds which was not the case.

*Mr K's transfer was sent back by Revolut on 26 September 2022, the date it was received. Revolut has since told me there is an inbound limit of \$100,000 for bank transfers which is why Mr K's funds were returned and that no error was made. But I think if Revolut was operating a transfer limit of this nature, it should've told Mr K when he enquired - before he attempted the transfer.*

*Mr K's explained the transfer was time sensitive as he was due to return to the UK and was concerned about shifts in the exchange rate between USD and GBP. Mr K's also pointed out that rates at the time were favourable and that he wanted to convert his funds to GBP before they moved again. So the transfer was time sensitive. And by the time Mr K was able to move his funds to accounts within the UK, the exchange rate had changed, leaving him with a substantial loss.*

*In its response to Mr K, Revolut said he was trying to use his account for currency speculation purposes which was against the terms and conditions. But I'm not persuaded that was the case. Whilst Mr K was concerned to complete the transfer in time to get as good an exchange rate as possible, I haven't seen any evidence of speculation. Mr K has explained he was returning to the UK after living in the US at the time and was making arrangements to transfer his money back. As Mr K was of the view rates would likely change in the coming days and he was returning to the UK, I haven't been persuaded he was seeking to use his account outside of Revolut's terms and conditions.*

*I would add that Mr K was open and honest with the agent he spoke with before instructing the payment and explained he wanted to exchange \$500,000 into GBP on receipt of the funds. If Mr K was at risk of using his account outside of its terms, I think the agent should've told him so he could've made other arrangements. No warning of this nature was given.*

*I've considered what Mr K would've done differently if he'd been told about the transfer limits Revolut uses. For example, Mr K has another USD account with B in the UK. So Mr K could've arranged to send his funds to that account on 26 September 2022 by way of bank transfer. Or, if Revolut had told Mr K about the \$100,000 limit, he could've batched them into smaller payments to send to his USD account. There may have been the option to have Mr K's US bank or another business convert the funds to GBP before being transferred back to the UK. I've given the above as examples only to show I'm satisfied Mr K would've had other options if he'd been given the right advice at the outset.*

*In my view, had Mr K been given the correct information, he would most likely have made alternative arrangements to complete the transfer before the shift in exchange rates. Overall, I'm satisfied that the way Mr K's enquiries were handled led to a delay in completing the transfer process that ultimately led to a substantial loss when he converted the funds to GBP.*

*There was a delay in converting the funds from USD to GBP once transferred to B. Mr K has explained that due to B receiving multiple inbound transfers of \$100,000 in short succession, they were held for compliance checks as they appeared suspicious. But I think it's fair to note that when looking at Mr K's experience of completing a transfer on 26 September 2022 and later discussing his complaint, Revolut made repeated references to transfer limits of \$100,000. And I think that impacted how Mr K transferred funds from that point, causing further delays when they were picked up by B for checks.*

*Based on the information I've seen so far, I intend to uphold Mr K's case. I've considered how to fairly resolve Mr K's complaint. Mr K has explained that he went on to convert \$250,000 to GBP at a rate of 1.26742 which was a substantially worse exchange rate when compared against what he would've received if the funds had been credited to his Revolut USD account on 27 September 2022 as planned and then converted to GBP. I note that*

*when Mr K spoke with the agent on 25 September 2022 she advised he would be able to convert his funds to GBP as soon as they were received into his USD account. I'm satisfied that's what Mr K would've done if the transfer had gone through. I think the fairest approach is for Revolut to pay Mr K the difference between the exchange rate that was applicable for his account on 27 September 2022 (the day after the transfer was received by Revolut) and the rate he ultimately obtained when converting the \$250,000 to GBP. This will be subject to Mr K providing evidence of the exchange rate he obtained showing the completed conversion.*

*Mr K's provided statement evidence from B that shows he still has \$200,000 in his USD account with B. Given it was Mr K's intention to convert those funds to GBP, I think the fairest approach would be that if he completes the exchange within four weeks of acceptance, Revolut will pay him the difference between what he would've got on 27 September 2022 and the rate he's able to obtain. If Mr K chooses not to convert the remaining USD to GBP, there will be no need for Revolut to compensate him further.*

*I've also taken into account the way the issues raised have impacted Mr K. I'm not persuaded that Revolut's payment of £150 is a fair reflection of what happened or the levels of distress and inconvenience caused to Mr K over a period of several months. I think it's fair to note the sums involved are substantial and that Mr K was making arrangements to move back to the UK at this time and had to take time away from work to help resolve matters. In my view, an increase from £150 to £500 more reasonably reflects the level of distress and inconvenience caused to Mr K and is a fairer way to resolve his complaint.*

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision.

Mr K responded and confirmed he was willing to proceed in line with the settlement I gave in the provisional decision. Mr K advised he'd requested evidence to show the foreign exchange transaction where B converted his USD to GBP. Mr K also provided a table setting out his calculations for a settlement.

Revolut was sent a copy of the provisional decision by email and the investigator later sent a reminder that responses needed to be supplied by 28 September 2023. We didn't hear back from Revolut with a request for more time or a response to the provisional decision.

### **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.

In response, Mr K confirmed he is willing to accept the settlement noted in the provisional decision. Mr K also provided estimated costings for the settlement. I can see Mr K has assumed a mid point reference rate for the USD to GBP conversion taken from the markets on 27 September 2022. But in my provisional decision I explained that Revolut should use the rate Mr K would've received if he'd used his account to complete the conversion. That means Revolut will need to apply the rate applicable for Mr K's account type on 27 September 2022 which may not be in line with the calculations used. I would expect Revolut to provide evidence to show the applicable conversion rate on 27 September 2022 for Mr K's account when settling his case.

As Mr K has confirmed he is willing to accept and Revolut didn't respond, I see no reason to change the conclusions I reached in my provisional decision. I still think Mr K's complaint should be upheld, for the same reasons.

## **My final decision**

My decision is that I uphold Mr K's complaint and direct Revolut Ltd to settle as follows:

- Pay Mr K the difference between what he would've received if he'd used his Revolut account to covert \$250,000 to GBP on 27 September 2022 and the rate he subsequently obtained (subject to Mr K providing evidence of the rate obtained)
- If, within four weeks of acceptance of the final decision, Mr K goes on to convert the remaining \$200,000 to GBP, Revolut should pay him the difference between what he would've received if he'd used his Revolut account on 27 September 2022 and the conversion rate he gets at that time (subject to evidence of the rate obtained)
- Pay Mr K a total of £500 for the distress and inconvenience caused (less any compensation already paid)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 October 2023.

Marco Manente  
**Ombudsman**