

The complaint

Mr O complains Revolut Ltd (“Revolut”) unfairly applied an adverse fraud marker against him.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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.

Having done so, I’ve decided not to uphold this complaint. I’ll explain why.

The marker Revolut filed with CIFAS is intended to record there’s been a ‘misuse of facility’ – relating to using the account to receive fraudulent funds. In order to file such a marker, Revolut is not required to prove beyond reasonable doubt Mr O is guilty of a fraud or financial crime, but it must show there are grounds for more than mere suspicion or concern. CIFAS says:

- “There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; [and]
- The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police”

What this means in practice is that a financial business must first be able to show fraudulent funds have entered Mr O’s account, whether they are retained or pass through the account. Having looked at the information Revolut has given me; I’m satisfied fraudulent funds entered Mr O’s account.

Secondly, Revolut will need to have strong evidence to show the consumer was deliberately dishonest in receiving the fraudulent payments and knew it was, or might be, an illegitimate payment.

A marker shouldn’t be registered against someone who was unwitting; there should be enough evidence to show deliberate complicity. So, I need to consider whether Revolut has enough evidence to meet the standard of proof and load a marker for a misuse of facility with CIFAS.

I have listened to the calls Mr O had with our Investigator. His explanation is somewhat incoherent, and he says he let a friend of his use his Revolut account, as opposed to his other high-street bank account, as he didn’t trust him. This in of itself is concerning, as its difficult to understand why someone would let another person who they don’t trust use their account in this way.

Mr O hasn't provided sufficient or compelling evidence to show he was unwitting. So taken together, I'm satisfied the CIFAS marker was applied fairly. That means I won't be asking Revolut to remove it.

Mr O's account was restricted and later closed by Revolut. Mr O says he's not complaining about this. I note our Investigator addressed this, and as its connected to the underlying activity being complained about her, it's something I'll address too.

Financial businesses in the UK 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 they need to restrict, or in some cases go as far as closing, customers' accounts.

Revolut is entitled to close an account just as a customer may close an account with it. But before Revolut closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Revolut and Mr O had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Based on the information and explanation Revolut has provided me, I'm satisfied its acted in line with its obligations and terms of account in reviewing and closing Mr O's account in the way it has.

As I don't think Revolut has done anything wrong in applying the CIFAS marker, and in restricting and closing the account, it doesn't need to pay Mr O compensation for any distress and inconvenience he's suffered.

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 O to accept or reject my decision before 17 May 2024.

Ketan Nagla
Ombudsman