

## **The complaint**

Mrs U has complained that Revolut Ltd (“Revolut”) suspended her account and then closed it without explaining why it did so.

## **What happened**

On 27 June 2023, Revolut placed a limitation on Mrs U’s account and carried out a review of her account.

Unhappy with this, Mrs U complained to Revolut about its decision to suspend her account and for the amount of time it was taking to review her account.

Revolut issued its final response email on 11 July 2023 and explained that it was required to carry out such a review and was able to do so, according to the terms and conditions that govern the account. However, Revolut did apologise to Mrs U and offered to pay her £75 as an apology for the inconvenience caused.

Following its review of the account, Revolut took the decision to close Mrs U’s account. It sent Mrs U an email on 14 July 2023 to say that it had decided to close her account because the activity on the account was not compatible with its terms and conditions. Revolut explained that the account would be closed on 12 September 2023 and that Mrs U would need to transfer all of her money out of her accounts before that date.

After Mrs U referred her complaint to this service, one of our investigators assessed the complaint. They concluded that Revolut’s review of the account was done fairly and in line with the terms and conditions and regulatory obligations. However, the investigator thought that Revolut took too long to carry out its review and said that the review should reasonably have been completed by 6 July 2023, rather than 14 July 2023. As such, the investigator recommended that Revolut pay Mrs U 8% simple interest on her money, between 6 and 14 July 2023. The investigator did not think that any further compensation (beyond the £75 that Revolut had offered and since paid) was warranted.

Revolut accepted the investigator’s findings. But Mrs U didn’t, so the matter was referred for an ombudsman’s 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 reviewed everything, I agree with the outcome reached by the investigator. I will explain why.

### *Account review*

Revolut has important legal and regulatory obligations it must meet when providing accounts to customers. These obligations are ongoing, so do not only pertain to when an account is opened, but also throughout the time that an account is kept open. To comply with its obligations, Revolut may need to review an account and/or restrict its customer’s access whilst it does that. The terms and conditions of Mrs U’s accounts also permit Revolut to review an account.

So, in the circumstances, I can't say that Revolut was being unfair or unreasonable in deciding to place a restriction on Mrs U's account, whilst it reviewed her account.

Having said that, I can see that the restrictions were placed on Mrs U's account for a while and the review likely could've been completed sooner than it was. So, I think what the investigator recommended – that Revolut pay 8% simple annual interest (less any deductible tax) on the money withheld by Revolut between 6 July 2023 and 14 July 2023 – is not unreasonable in the circumstances.

Due to the delay incurred during the account review, Revolut paid Mrs U £75 compensation. Mrs U has said that Revolut should pay more compensation for the inconvenience she experienced. I have considered what Mrs U has said alongside everything else that has been provided and, in the circumstances, I don't think more compensation for any distress and inconvenience caused is warranted. I say this because, whenever a financial business is required to carry out an account review, there will always be an unavoidable element of inconvenience incurred when an account holder can't access their account which I don't think warrants compensation. And given what happened, I do think that £75 is reasonable recompense for what happened – bearing in mind the timescales involved and also that additional interest is also being paid to Mrs U.

#### *Account closure*

Following its review of Mrs U's account Revolut decided to close her account. It kept restrictions in place on her account, although allowed her to transfer money out of the account. In its notice to close email sent on 14 July 2023, Revolut explained that Mrs U had until 12 September 2023 in which to make alternative banking arrangements and transfer the remaining balance out of the account.

A financial business is generally entitled to close an account providing it's in line with the terms and conditions of the account. In this instance the terms of Mrs U's accounts say that in certain instances Revolut can close the accounts with immediate notice, and in other circumstances, by providing 60 days' notice. And it doesn't have to provide a reason to customers for doing so.

Having reviewed everything, I think that Revolut was acting in accordance with the account terms and conditions when it decided to place a block on Mrs U's account and went on to close the account 60 days later.

I understand that Mrs U may want Revolut to explain the reasons why it applied the blocks to her accounts. But Revolut is not obliged to tell Mrs U the reasons behind the account review and block, as much as she'd like to know. So, I can't say it's done anything wrong by not giving her this information. And it wouldn't be appropriate for me to require it do so.

However, Revolut needs to provide information to this service so we can fairly decide a complaint. Based on the information that Revolut has provided, I think that its decision to close Mrs U's account following its review was fair in the circumstances.

Therefore, although I appreciate that it will be frustrating for Mrs U to not know the reasons why Revolut closed her account, it is the case that I don't think it has acted unfairly or unreasonably in do so. I also don't think it has done anything wrong by not disclosing the reasons why it closed her account.

#### **Putting things right**

I understand that Revolut has already paid the £75 compensation to Mrs U.

So, to put matters right, Revolut needs to pay Mrs U 8% simple annual interest, less any deductible tax, on Mrs U's funds. This needs to be calculated between 6 July 2023 and 14 July 2023.

### **My final decision**

Because of the reasons given above, I uphold this complaint in part and require Revolut Ltd to do what I have outlined above, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs U to accept or reject my decision before 15 March 2024.

Thomas White  
**Ombudsman**