

The complaint

Ms T complains that Revolut Ltd closed her account and returned money paid into her account back to source. She would like the funds returned and compensation for the impact.

What happened

Ms T had an account with Revolut.

Ms T says she used the account to receive payments from selling cryptocurrency via a platform I will refer to as B.

In December 2022, Ms T received a payment of just over £1,300 into her Revolut account from an individual I will refer to as M. Ms T has explained that the payment was for cryptocurrency that her friend Mr N had sold, via B to M.

Ms T has explained that she had linked her Revolut account to Mr N's account with B. So, he was able to use her account to receive payments for Cryptocurrency transactions he made.

Following this Revolut received a notification that the funds paid into Ms T's account by M were fraudulent. As a result of this information Revolut reviewed Ms T's account. Whilst it completed its review Revolut restricted Ms T's account. After completing its review Revolut returned the payment to another bank so that it could be refunded to the victim of the fraud. Revolut also decided to close Ms T's account.

Ms T discovered that the money had been removed from her account and complained to Revolut. She explained that she thought her account had been compromised because she didn't know anything about the transaction and hadn't had any dealings with the account where the money had been sent. She told Revolut that the transaction was legitimate, and she hadn't done anything wrong. So, she believed that she was also a victim of the scam.

Ms T submitted evidence to support her explanation via Revolut's chat facility, which included an invoice from B showing Mr N had completed the sale of Cryptocurrency to M, and screenshots from conversations Ms T had with M and Mr N relating to the transaction.

In response, Revolut said it hadn't done anything wrong. It said it had acted in line with the account terms and conditions when it had suspended Ms T's account and returned the money paid into Ms T's account from M to the sending bank so that it could be refunded to the victim of the scam.

Unhappy with this response Ms T brought her complaint to our service, where one of our investigator's looked into what had happened.

The investigator asked Ms T for some more information about the sale of the cryptocurrency. Ms T explained that she'd received the money from M on behalf of her friend because Mr N was having problems with his account. She said that as far as she was aware the

transaction was legitimate, and she and Mr N had been caught up in the scam. So, she said Revolut should refund the money to her account.

The investigator looked at the information Ms T had provided. She said Revolut hadn't done anything wrong by reviewing Ms T's account. And returning the money she'd received back to the sending bank. But she said Revolut hadn't treated Ms T fairly when it had closed her account immediately and should have given her more notice. She said Revolut should pay Ms T £100 compensation for the trouble and upset this had caused her.

Ms T agreed. Revolut didn't. It said it hadn't done anything wrong when it suspended and closed Ms T's account. And returned the money to the sending bank.

As no agreement could be reached the matter has come to me to decide. After reviewing all the evidence and circumstances of this complaint, I reached a different conclusion to the investigator. I issued a provisional decision setting out why I didn't think the complaint should be upheld. In my provisional decision I said the following:

Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. In order to meet these obligations, they are required to carry out ongoing monitoring of an existing business relationship. That sometimes means Revolut need to restrict, or in some cases go as far as closing customers' accounts and return payments.

Fraud is a serious matter, and one way financial businesses and banks can help to tackle fraudulent payments is by restricting accounts when allegedly fraudulent payments are received into them. And that's what happened here. The terms and conditions of the account also permit Revolut to restrict and review an account. I should also add that Revolut is not required to prove beyond reasonable doubt that Ms T is guilty of a fraud or financial crime before it decided to block her account and carry out a review.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Revolut to block Ms T's account. Revolut has explained that this was its standard procedure, and I accept that it was. I'm satisfied that in doing so Revolut were complying with its legal and regulatory obligations. Doing so also enabled Revolut to consider how best to react to the information it had received from the sending bank about the money that had been paid into Ms T's account. So, whilst I accept, the bank's actions caused Ms T inconvenience and upset when it decided to block her account and asked her to provide information, I can't say Revolut did anything wrong and treated her unfairly in doing so.

I'll next deal with the closure of Ms T's account. Revolut is entitled to close an account with Ms T just as she is entitled to close her account with Revolut. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed. As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene. But before Revolut closes an account, they must do so in way which is fair and complies with the terms and conditions of the account.

I've looked at the terms and conditions and they state that Revolut could close the account by giving Ms T two months' notice and in certain circumstances could close the account immediately. Revolut blocked Ms T's account. But gave Ms T 60 days to transfer her funds out of the account. So, I consider Revolut closed Ms T's account immediately, since she wasn't able to use the account following the block.

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 did. I say this because Ms T was allowing someone else – in this case Mr N to use her account, which is a breach of the terms and conditions. So, it was entitled to close the account as it's already done and end its relationship with Ms T. So, I don't consider it would be appropriate to award Ms T any compensation since I'm not satisfied that Revolut have treated Ms T unfairly when it decided to close her account without notice.

Finally, Revolut has shown our service the information it looked at as part of its review, it's explained its rationale in weighing that information and it's demonstrated how it reached its decision to comply with the information it had received from the sending bank about the money paid into Ms T's account. Having reviewed everything Revolut and Ms T has told our service, I'm satisfied Revolut acted reasonably in returning the funds to source, and that it was acting in accordance with its overriding legal and regulatory obligations when it did so.

This ensures the funds are sent back to the correct person. Based on the evidence I've seen I agree that this was the right action in the circumstances. I note too that Ms T has said that the money was paid into her account for a transaction that her friend Mr N completed. So, I'm not satisfied that she has lost out financially as she suggests. Based on all the information I've seen the money simply didn't belong to her.

In summary I realise Ms T will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude that Revolut have treated Ms T unfairly when it blocked and closed her account. So, I won't be telling Revolut to do anything to resolve Ms T's complaint.

Neither Ms T nor Revolut responded to my provisional decision.

Now both sides have had an opportunity to comment I can go ahead and issue my final 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.

As neither party has provided any further information or evidence for me to consider I see no reason to depart from my findings set out in my provisional decision.

In summary, I appreciate that Ms T will be disappointed by my decision, but I see no reason to depart from my provisional findings. I remain of the view that this complaint should not be upheld for the reasons set out in my provisional decision, which are repeated above and form part of this decision.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 1 April 2024.

Sharon Kerrison
Ombudsman