

The complaint

Mr P complains that Revolut Ltd blocked and closed his current account. He'd like compensation for the impact.

What happened

Mr P had an account with Revolut.

On 24 December 2022 Revolut blocked Mr P's access to his account. On 10 January 2023 Revolut notified Mr P on the app that they were closing his account in 60 days. They explained he had until then to transfer or withdraw the funds in his account, and sell his cryptocurrency investments into FIAT funds.

Mr P wasn't happy with Revolut's actions so complained to them. Revolut looked into Mr P's complaint but felt like they'd acted fairly in blocking and closing his account.

Mr P wasn't happy with Revolut's actions so complained to our service.

One of our adjudicators looked into his complaint. They thought Revolut acted fairly in restricting access to his account and giving 60 days' notice.

A second review was carried out on Mr P's case. And our Investigator reached a slightly different answer. They thought Revolut acted fairly in restricting access to his account, but should have allowed Mr P access during the 60 day notice period. And having not done so, they'd not acted fairly. Our Investigator thought the impact on Mr P was low, due to the limited balance he had in the account. And they offered him £100 compensation.

Mr P didn't agree. In summary he said:

- Did Revolut comply with the banking standards?
- Have we taken into account the data protection breach Revolut committed?

As Mr P didn't agree the case was passed to me to decide.

On reviewing Mr P's case I reached a slightly different conclusion to our investigator.

I didn't think Revolut provided sufficient evidence to justify their decision to restrict his account and effectively close it immediately. I recommended that Revolut pay Mr P £400 for the distress and inconvenience caused, and pay 8% interest on the funds held in his account during the restriction.

Revolut accepted my recommendation but Mr P didn't. In summary he said:

- Revolut acted illegally in closing his account, didn't comply with their terms and conditions or the contract they agreed with him.

- He's the legal owner of the property held by Revolut, and he's entitled to determine the value.
- He needs compensation for damages, the personal time and energy he spent on the case totalling over 450 hours, the disruption to his health and impact on his intellectual capacity.
- He wasn't able to access his property between 24 December 22 and 11 Jan 2023

As Mr P didn't agree it's been passed 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.

In my Provisional decision I said:

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress, however, that I've considered everything that Mr P and Revolut have said before reaching my decision

Revolut made their submission in confidence. Our rules permit this; it's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it.

Here, the information (and its source) is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Revolut has treated Mr P fairly. So I'm persuaded I should take it into account when deciding the outcome of the complaint.

Mr P says he feels Revolut has discriminated against him due to his political opinion when restricting and closing his account.

I'd like to explain that the Financial Ombudsman Service is unable to make findings about whether discrimination has taken place in terms of the Equality Act 2010. That's a matter of law and only the courts have the power to make a decision of that nature. I have taken the relevant law into account in relation to Mr P's concerns and whether I think Revolut has acted in a fair and reasonable manner. This involves taking a number of factors into consideration, including the provisions made in The Equality Act 2010.

I can understand why Mr P feels this way but having looked at all the evidence I don't think Revolut has done so. I hope that it helps Mr P to know that someone impartial and independent has looked into his concerns. I do however feel that Revolut didn't treat Mr P fairly when restricting and closing his account – and I'll explain why below.

I've firstly considered Revolut's actions when restricting Mr P's account. Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing

relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. In spite of this, having looked at what's happened here, including evidence shared with our service in confidence, I can't safely conclude a restriction was fair or reasonable in Mr P's case. I appreciate that Revolut thought they had justifiable reasons to restrict Mr P's account, but I can't agree that what they've sent into our service is sufficient. It follows, I can't say the block was fair or reasonable.

I've moved on to consider the closure of Mr P's account.

Revolut can only close accounts in certain circumstances and if they follow the terms and conditions of the account. Revolut also have a responsibility to ensure they don't discriminate against a customer. In Mr P's case Revolut gave Mr P 60 days' notice of the account closure. And advised him during the 60 days' he'll be able to transfer his funds out, however he wouldn't have access to the account facilities during this time. It follows, I don't think Mr P effectively had 60 days' notice of the closure. In reality his account was last operational on 25 December 2022 prior to the account restriction, and later the account closure. This means effectively his account was closed immediately. Therefore, I'll need to consider the terms and conditions which allow immediate closure. Having done so I'm not satisfied Revolut acted fairly in closing Mr P's account with immediate notice.

A key element of Mr P's complaint centres on Revolut's actions regarding his cryptocurrency accounts, of which he has several of with Revolut. I realise this will disappoint Mr P however the selling, trading and operating of cryptocurrency accounts isn't something regulated by the Financial Conduct Authority (FCA). What this means is it isn't something our service has the power to comment on. This includes whether or not Revolut have complied with the law, best practice or other regulations when directing Mr P to sell his cryptocurrency.

In Mr P's response to our services second view he mentioned being unhappy with Revolut breaching data protection, by sharing details from another customer with him. I haven't considered this in my decision – I say this as for our service to consider this complaint point it first needs to be referred to Revolut. And I can't see this has happened yet.

I've thought about the impact on Mr P from Revolut's actions. I want to make it clear to Mr P I've not considered the impact on him from being directed to sell his cryptocurrency assets – as this isn't something I have the power to comment on. I have however reviewed Mr P's FIAT statement with Revolut – and I've considered what Mr P said about the impact on him from Revolut's actions. I can see that Mr P was without access to over £4,400 from 26 December 2022 to 10 January 2023. Prior to the block I can see that Mr P was regularly using his account for everyday spending. And as a result of the block he wasn't given access to his account, when he should have done, for over 2 months.

It's clear from online chat messages between Mr P and Revolut that Mr P was quite distressed by Revolut's actions. I'm satisfied that his account being blocked for an extended period of time and the decision to close his account caused him significant upset. I think Revolut should compensate Mr P £400 for the distress caused to him.

I'm also satisfied Mr P was deprived of access to his funds during the block – and I therefore think that Mr P should be compensated 8% interest on the funds in his account for the restricted period.

In response to my Provisional decision Mr P made several points, I've considered these below.

I agree with most of what Mr P's said, and Revolut have accepted this too – firstly as I

explained in my Provisional decision I don't think Revolut complied with their terms and conditions when closing Mr P's account with immediate notice. And I think they unfairly prevented from him accessing his funds. I agree with Mr P that his account was in fact restricted from 24 December 2022, not 26 December 2022, so I'll be amending the timeframe of my recommendation for 8%.

I've also awarded Mr P compensation for the impact I believe the restriction had on him - £400. I understand he's argued that he's spent over 450 hours trying to resolve his complaint with Revolut and has experienced disruption to his health because of their actions. I'm satisfied that Mr P did experience distress because of Revolut's actions, but I think £400 is fair compensation to recognise this.

However, I'm satisfied Revolut were entitled to close Mr P's account. But, for the reasons I explained in my Provisional decision they should have given Mr P access to his account during the 60 day notice period.

The last point Mr P made was about him being the legal owner of the property held by Revolut, and his right to determine the value of it. I understand that Mr P's complaining about the sale of his cryptocurrency assets here. But as I explained in my Provisional decision, cryptocurrency isn't regulated by the FCA. And therefore I can't consider Revolut's actions when directing Mr P to sell his cryptocurrency.

For the reasons I've outlined above I won't be changing the conclusions I reached in my Provisional decision.

Putting things right

I'm satisfied that his account being blocked for an extended period of time and the decision to close his account caused Mr P significant upset. I think Revolut should compensate Mr P £400 for the distress caused to him.

I'm also satisfied Mr P was deprived of access to his funds during the block – and I therefore think that Mr P should be compensated 8% interest on the funds in his account for the restricted period.

My final decision

My final decision is I uphold this complaint and I direct Revolut Ltd to:

- Pay Mr P £400 compensation
- Pay Mr P 8% interest on the funds in his account between 24 December 2022 and 10 January 2023.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 30 March 2024.

Jeff Burch
Ombudsman