

The complaint

Mr S complains Revolut Ltd blocked his account and sent an amount back to source. Revolut then closed the account. Mr S would like the funds returned to him.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In summary, Mr S had an account with Revolut. Mr S says he carried out a crypto trade on a platform I'll refer to as B. He received £2,500 from the purchaser on 21 November 2022, and he released the cryptocurrency to him.

On 23 November 2022 Revolut took the funds out of Mr S's account. Mr S was later told the funds had been returned to source.

Revolut informed Mr S that they would be closing his account with immediate effect on 28 November 2022.

Mr S complained to our service. One of our investigators looked into the complaint. She said Revolut were entitled to close the account but hadn't provided enough evidence for an immediate closure so awarded £100 compensation. She thought Revolut should return the funds to Mr S together with interest at 8%.

Revolut disagreed so the matter came to me and I issued a provisional decision.

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 S and Revolut have said before reaching my decision.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Revolut has provided is information that we considered should be kept confidential.

Account review and closure

Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. Having looked at all the evidence, I'm satisfied that Revolut acted in accordance with these obligations and the terms and conditions of the account when it blocked and reviewed Mr S's account.

I then turn to Revolut's decision to close Mr S's account. As the investigator explained, it's generally for banks 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 a customer or require it to compensate a customer who has had their account closed.

Under the terms of the account Mr S held, Revolut are entitled to end the relationship. I can see that they notified Mr S of their decision to close the account with immediate effect. Having reviewed the evidence that Revolut have provided to this service I'm satisfied that Revolut acted fairly when they closed Mr S's account with immediate effect. It follows I don't think compensation is payable here., so I can't say Revolut have done anything wrong.

Access to funds

Before Revolut releases funds held in a customer's account, it's entitled to carry out checks to ensure it's complying with its legal and regulatory obligations. And it will follow its internal procedures before they release funds.

Mr S is unhappy that Revolut returned the funds to source, he says that as a result of it he has lost around £2,500. Mr S provided our service with evidence of his cryptocurrency trades.

I appreciate Mr S was concerned as the funds in his account credited to Revolut. However, he was told that the sending bank had requested the return of the funds and he was advised to speak to the sender of the funds directly.

Mr S has said he hasn't been given an explanation why his account was blocked and closed. And his funds returned to source. I appreciate that Mr S may've expected to be given more information but, Revolut isn't required to do so. So, I can't say Revolut has done anything wrong by not giving Mr S this information – as much as he'd like to know.

Revolut as a regulated business has extensive obligations placed on it by UK legislation. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations.

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 Mr S's account. I have also reviewed the information Mr S provided our service. Having reviewed everything Revolut and Mr S 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.

In summary I realise Mr S 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 Mr S unfairly when it blocked and closed his account and returned £2,500 back to the sending bank. So, I won't be telling Revolut to do anything to resolve Mr S's complaint.

Responses to my provisional decision.

Revolut have not submitted any extra comments to my provisional decision.

Mr S has said he has no further information to submit. He has said he would like more compensation as half a year has passed. He also said it should be taken into account that

the amount was received for the crypto sold and that after returning the amount, the crypto from the exchange wasn't returned to him.

Now both parties 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.

In response to my provisional decision Mr S has highlighted the following concern namely that he has been left out of pocket as a result of the funds being returned to source. I accept that Mr S hasn't had the cryptocurrency returned to him

As I mentioned in my provisional decision 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 Mr S's account. I have also reviewed the information Mr S provided our service. Mr S hasn't provided me with anything further and having reviewed everything Revolut and Mr S has told our service again, 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.

In summary I thank Mr S for his submissions which I have considered in full. I appreciate Mr S will be disappointed by my final decision but having reviewed all the information received by both parties and their responses to my provisional decision I see no reason to depart from my original 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 mentioned above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 June 2024.

Esperanza Fuentes
Ombudsman