

The complaint

Mr I complains that Revolut Ltd unfairly blocked and then closed his accounts with them. He would like the account reinstated and compensation.

What happened

Mr I held an account with Revolut. But on 8 August 2023 he found that he couldn't make any transactions. He contacted Revolut but was told that the account was restricted, and they would contact him when there was an update. They did not provide a reason for the review.

The review was completed on 24 August 2023, and the account unblocked then. Mr I transferred his funds away. But Revolut also wrote to him to say they would be closing his account 60 days' time.

Unhappy with what had happened Mr I complained to Revolut. The business responded to say that they were complying with their legal and regulatory obligations – and said the terms of his account allowed them to review accounts, and to close them with the appropriate notice. But they refunded two months of premium fees as a gesture of goodwill.

Dissatisfied with this answer Mr I referred his complaint to our service. One of our investigators considered the complaint but didn't see that Revolut had done anything wrong. Mr I disagreed, saying by blocking his account he had no money for food or to pay his rent.

As no agreement could be reached the complaint has 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.

It's right to say that as a regulated business in the UK Revolut have strict legal and regulatory obligations to meet. Broadly these obligations can be described as a duty to monitor accounts to look for signs that their customer may be falling victim to financial distress, and a duty to monitor for signs of fraud, scams, or other financial crime. If the bank has reasonable grounds to believe this may be the case, then they will be required to carry out a review into the account activity to establish what's happened. And while a review is carried out the business may choose to restrict the activity on the account. There is provision for this in the terms of Mr I's account, and this is in line with wider industry practice.

There's no specific obligation on Revolut to explain to Mr I why his account was under review – and they have declined to do so here. But Revolut have provided their reasoning to our service. The rules of our service allow us to treat certain evidence in confidence, if the ombudsman considers it appropriate – such as if it contains sensitive commercial information, or security details.

I'm persuaded that it's appropriate that Revolut's rationale should remain confidential, so I won't be detailing it in full here. But I'm satisfied that their concerns were reasonable, and that blocking the account was appropriate.

The review was completed in a reasonable timescale, and I've seen nothing to suggest there were undue delays in the process. I appreciate this was very inconvenient to Mr I, and I'm sorry to hear how it affected him. But I see this was a reasonable action for Revolut to take, and I wouldn't compensate him for inconvenience that flows from this reasonable action.

The result of the review was that Revolut decided they no longer wished to provide payment services to Mr I, and they provided 60 days' notice of the closure. Ultimately, Revolut have a broad commercial discretion on who they provide accounts to. In this case I'm satisfied that the closure was a legitimate commercial decision they were entitled to make. The notice given was appropriate and in line with both the terms of the account and the wider industry regulations on payment accounts. I can see from the statements that Mr I was able to successfully withdraw his funds elsewhere.

I understand Mr I may find this disappointing, but I don't see that Revolut have done anything wrong in how they handled the block and closure of his account. They've refunded two months' worth of account fees as a gesture of goodwill which is more than fair. I do not see they need to do anything further to resolve this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 3 September 2024.

Thom Bennett
Ombudsman