

The complaint

Mr S is unhappy that Revolut Ltd declined some transactions and then blocked his account.

What happened

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- In late-2023 Mr S wanted to transfer some money from his Revolut account to a cryptocurrency account he held with another provider. But Revolut prevented him from transferring as much as he wanted to. Mr S is unhappy with Revolut's decision to decline some transactions and then block his account, as well as the explanations and overall support it provided at that time.
- Revolut said it have fairly refused the transactions and limited Mr S's account access. But it paid £25 into his account as a gesture of goodwill and by way of an apology for the inconvenience caused. Mr S remained unhappy and referred a complaint to us.
- Our Investigator didn't think Revolut had acted unreasonably either when it blocked the transactions or when it restricted Mr S's account. But she thought the overall support Revolut had provided fell short and recommended it pay a further £100 compensation to Mr S. Revolut agreed but Mr S did not – he said no amount of money could make up for the stress and anxiety Revolut caused. So the complaint has come to me.

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 done so, I have come to the same conclusions as the Investigator, for much the same reasons.

I appreciate Mr S is frustrated that he wasn't able to use his account in the way he wanted. But Revolut is required to have processes and procedures in place to protect itself and its customers from fraud. And, as set out in its terms and conditions, this includes blocking transactions if it is *"reasonably concerned about [the account] security or that it might be used fraudulently or without your permission."*

I think it's also worth mentioning that the industry regulator – the Financial Conduct Authority – explains on its InvestSmart webpages that cryptocurrency is largely unregulated in the UK, it's considered a high risk, speculative investment and scammers have been increasingly active in targeting potential investors.

In the circumstances, I don't think it was unreasonable for Revolut to restrict and question the transactions Mr S was trying to make to a cryptocurrency platform. Nor do I think it was unreasonable for Revolut to restrict the account and request additional verification from Mr S. And I don't agree with Mr S that Revolut lied or bullied him.

It's unfortunate that it took so long for the account block to be lifted. This was, in part because Mr S refused to comply with Revolut's requests for additional verification. But I think the way Revolut handled matters left much to be desired. For example, I think Revolut should have explained sooner, and more clearly, exactly what information it needed and why it needed this and not simply repeated requests that had already been made. It also took longer than I would expect to review the information Mr S did provide. Revolut explained this was due to the high number of account reviews it was carrying out. But Revolut should ensure it has sufficient staff available to deal promptly with this sort of situation, so that consumers aren't waiting an unreasonable amount of time to access their money. I think Revolut's poor handling of the matter caused Mr S to experience unnecessary confusion, worry and frustration.

As noted above, Revolut has already paid £25 to Mr S. I think this, along with the additional £100 recommended by the Investigator, fairly compensates Mr S given the circumstances that led to this complaint.

My final decision

My final decision is that I uphold this complaint in part and instruct Revolut Ltd to pay a further £100 to Mr S.

Revolut must pay the compensation within 28 days of the date on which we tell it that Mr S accepts my final decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 August 2024.

Ruth Hersey
Ombudsman