

The complaint

R a limited company complains that Revolut Ltd closed its account and returned money paid into the account back to source.

R's is being represented by its director Mr O.

What happened

R had an account with Revolut.

Mr O says R used the account to receive payments from selling cryptocurrency via a peer-to-peer platform I will refer to as B.

In March 2024, R received several payments into its Revolut account totalling just over £95,000 from three individuals I will refer to as Mr C, Ms H and Mr D. And a company I will refer to as A. Mr O has explained that the payments were for cryptocurrency trades that R had sold, via B to Mr C, A, Ms H and Mr D.

Revolut received a notification that the funds paid into R's account by Mr C, Mr D, Ms H and A, were fraudulent. As a result of this information Revolut reviewed R's account. Whilst it completed its review Revolut restricted R's account. After completing its review Revolut returned just over £32,000 to another bank so that it could be refunded to the victim of the fraud. Revolut also decided to close R's account.

Mr O discovered that the money had been removed from R's account and complained to Revolut. He explained that the payments were legitimate and provided invoices of sales of cryptocurrency, screenshots of conversations of R's customers and ID's of the individuals he said R had completed trades with.

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 R's account and returned the money paid into R's account from Mr C, A, Ms H and Mr D to the sending bank so that it could be refunded to the victims of the scam. Revolut also said it hadn't done anything wrong when it had closed R's account.

Unhappy with this response Mr O brought R's complaint to our service, where one of our investigators looked into what had happened.

The investigator asked Mr O for some more information about the sale of the cryptocurrency. Mr O provided paperwork including invoices from B, screenshots of conversations with customers, including photographs of customers with their ID, to show that R was entitled to the money Revolut had sent back to source.

The investigator looked at the information Mr O had provided and the information Revolut had submitted. They said Revolut hadn't done anything wrong by reviewing R's account. And returning the money it had received back to the sending bank. The investigator also said Revolut had closed R's account in line with the terms and conditions.

Mr O disagreed. He said R's business had suffered financial loss and wants Revolut to refund the money it sent back to source. He said Revolut had essentially stolen the money and R hadn't done anything wrong.

As no agreement could be reached the matter has come 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks and financial businesses 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. This means I haven't been able to share a lot of detail with Mr O, but I'd like to reassure him that I have considered everything.

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 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 Mr O is guilty of a fraud or financial crime before it decided to block R's 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 R'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 R's account. So, whilst I accept, the Revolut's actions caused R inconvenience when it decided to block its account and asked Mr O to provide information, I can't say Revolut did anything wrong and treated R unfairly in doing so.

I'll next deal with the closure of R's account. Revolut is entitled to close an account with R just as it is entitled to close its account with Revolut. It's generally for banks and financial businesses to decide whether they want to provide, or to continue to provide, banking facilities to any 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 R two months' notice and in certain circumstances could close the account

immediately. Revolut blocked R's account. So, I consider Revolut closed the account immediately, since R couldn't 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. So, it was entitled to close the account as it's already done and end its relationship with R.

I've then gone on to consider whether Revolut's reasons for closing the account was fair. In doing so, I appreciate that Revolut is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Revolut should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

After considering all the available evidence and circumstances, I haven't seen any evidence that would lead me to conclude Revolut closed R's account for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its commercial discretion. That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial business decision.

The crux of Mr O's complaint is that he wants the money that Revolut sent back to source returned. Mr O says the money R received from Mr C, Mr D, Ms H and A originated from legitimate cryptocurrency trades. And he has provided information to support his explanation, which I've reviewed.

Revolut has also 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 R's account. Having reviewed everything Revolut and Mr O has told our service, which includes the information Revolut has provided this service in confidence, 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. So, I'm not satisfied that R has lost out financially as Mr O suggests. Based on all the information I've seen the money simply didn't belong to R. So, I won't be directing Revolut to return any funds to R.

In summary I realise Mr O 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 R unfairly when it blocked and closed R's account. And returned the money paid into R's account back to source. So, I won't be telling Revolut to do anything to resolve R's complaint.

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 R to accept or reject my decision before 20 March 2025.

Sharon Kerrison

Ombudsman