

The complaint

Ms S complains Revolut Ltd (“Revolut”) asked her partner’s bank to return a payment she had sent him, and then closed her account. Ms S isn’t happy the funds it retracted haven’t been paid to her or her partner.

To put things right, Ms S wants Revolut to release the funds to herself or to her partner – who I will now refer to as Mr G.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In July 2023, Ms S sent a payment of around £11,000 to Mr G. Ms S says that Mr G had sold crypto currency on a trading site and asked the buyer to send the payment to her. Ms S was therefore sending Mr G his funds.

I note Mr G has separate complaints at this service. But I am only considering Ms S’ case here.

Revolut asked Mr G’s bank (“Bank C”) to return £5,000 of the funds back to it. But Bank C said it could only send Revolut the full payment that Ms S had made of around £11,000. Bank C returned the funds to Revolut.

Revolut didn’t credit these funds into Ms S’ account and closed her account. Ms S says Mr G hasn’t been able to retrieve the funds from Bank C. Unhappy, Ms S complained. Revolut didn’t uphold Ms S’ complaint. In summary, it made the following key points:

- Revolut transferred the payment to Mr G’s account as instructed by her in July 2023.
- In August 2023, Revolut informed Ms S it would be closing her account and that there were no funds in her account. And it has followed its terms and obligation in doing so.

Ms S referred her complaint to this service. One of our Investigator’s looked into Ms S’ complaint, and they asked her about payments into her account shortly before the payment to Mr G was made.

Ms S explained that she had no relationship with these payees. She was visiting the UK at the time as a tourist and needed to save money. In providing her money, Mr G sold some of his crypto assets through a peer-to-peer site and told the buyers to send the money to her Revolut account. Ms S later informed Mr G she didn’t need the money immediately, so he asked her to transfer the funds into his account with Bank C as he was getting a better interest rate.

Revolut told Ms S it was happy to return around £5,800 from the funds returned from Mr G’s

account.

Our Investigator recommended Ms S' complaint wasn't upheld. In short, their key findings were:

- Based on the evidence provided to this service in confidence, Revolut was entitled to close Ms S' account and did so in line with its terms and condition.
- Revolut were acting in line with its obligations when recalling the funds from Mr G's account with Bank C. Revolut will contact Bank C directly about returning the funds to Mr G.

Ms S didn't agree with what our Investigator said. She questioned why Revolut was only returning some of the funds, and that it couldn't return any funds as Bank C had closed Mr G's account with it. Ms S added the person at loss here is Mr G because he isn't getting money for the crypto assets he sold.

Our Investigator explained Revolut were releasing some of the funds to the intended recipient – Mr G. And they couldn't comment on Mr G's loss as he isn't the complainant for this complaint. So, they can only address her losses.

As Mr G's account with Bank C had been closed, Ms S requested Revolut send him a cheque. Our Investigator reiterated that they are only considering Ms S' complaint.

As there was no agreement, this 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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

Banks in the UK, like Revolut, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Revolut has explained and provided me with information as to why it reviewed and restricted Ms S' account. Having carefully considered this, I'm satisfied it acted in line with its obligations.

Revolut is entitled to close an account just as a customer may close an account with it. But before Revolut closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Revolut and Ms S had to comply with, say that it could close the account by giving her at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Revolut gave Ms S 60 days' notice to close her account. But as it restricted several key features of the account, including crediting the account and making payments, I must treat this an immediate closure.

Similarly, Revolut has explained and provided supporting evidence as to why it decided to close Ms S' account in the way it did. After careful consideration, I'm satisfied Revolut acted in line with its terms and condition when doing so immediately.

It's understandable why Ms S would want a detailed explanation why Revolut acted in the way it did. But Revolut is under no obligation to do so. 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 I consider should be kept confidential.

That brings me to the crux of Ms S' complaint. That is, Revolut should not have returned the funds it had returned from Bank C to either herself or Mr G.

I'm satisfied that Revolut acted in line with its obligations when recalling funds in the way it did. And I'm also satisfied that it hasn't done anything wrong in not returning them to Ms S. After all Ms S has made it clear the funds are not hers and so don't represent any loss to her.

I can't consider a loss to a third-party, only the eligible complainant – which in this complaint is Ms S. I note Ms S has suggested Revolut send a cheque to Mr G as his account is closed with Bank C. This is something for Revolut to consider outside of this complaint.

I should also add that even if I did think Revolut had done anything wrong, I wouldn't find awarding any compensation would be fair or appropriate. I understand Ms S would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 21 March 2025.

Ketan Nagla
Ombudsman