

## **The complaint**

Mrs K complains that Revolut Ltd unreasonably delayed in unblocking a payment, causing her to incur expenses.

## **What happened**

Mrs K opened an account with Revolut on 25 January 2024. On 14 February she attempted to make a transfer to an account she held in another country, of around £4,900. The payment was flagged through Revolut's system for a fraud check. Mrs K then entered into an online chat during which she was asked a number of questions about why she needed to make the transaction, which she answered. She was also warned about a possible scam and proceeded through several warning screens and was asked if she accepted the risk. The online chat adviser explained that Revolut's fraud detection system shows that it was a high-risk transaction. She was told that, if she made the transaction, the most likely outcome would be that she would lose her money and not be able to get it. She was asked if she would like to cancel.

Mrs K opted to cancel, and then asked if the money could be transferred to an account of hers with another bank in this country. However for the same reasons the transfer was flagged for security checks. The adviser told her that the transaction would have to be reviewed by Revolut's team before it could be approved. She was eventually able to make this transfer on 16 February 2024.

Mrs K complained of the long delay in having her transactions approved. She also pointed out that she had originally transferred the money into her Revolut account and only wanted to transfer it back. Revolut explained why the transactions were held up and that in accordance with the terms and conditions of the account it was entitled to do this.

On referral to the Financial Ombudsman Service, our Investigator said that although Revolut was entitled to hold up the payment for fraud checks, Mrs K had to spend a long time over the online chat service speaking to eight different agents. And she was given the same warnings and information and had to repeat her answers to various security questions. She proposed Revolut pay Mrs K £150 for distress and inconvenience, which it agreed to.

Mrs K did not feel this was sufficient, as she pointed out that she wasn't able to rent the property she intended to and had to rent a more expensive one, and also that she had lost over £350 because of the difference in the exchange rate over the period.

The matter has been passed to me for an Ombudsman's consideration.

## **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.

First of all, and I think Mrs K recognises, Revolut is entitled to hold up any proposed payments where its system has advised there is a clear risk of fraud. Item 20 of its terms and

conditions states:

*“We must refuse to make a payment or delay a payment (including inbound and outbound payments) in the following circumstances:*

- *if legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks;”*

So banks and financial institutions are required to consider whether a proposed payment could be fraudulent or part of a scam. In Mrs K’s case, several factors were involved:

- She had only had the account for three weeks when she tried to make the payment.
- The payment was for a large amount, and to an account Mrs K not made a payment from her Revolut account before.
- The taking of deposits for rental properties, especially those abroad, has been identified as a high risk of being a scam. Indeed Mrs K was told that the most likely outcome would be that she would lose her money and not be able to get it back.

So I think that Revolut was justified in holding up the payment whilst it asked Mrs K a number of security questions, gave her warnings about a possible scam, and assessed the risk. Regretfully as the transaction was regarded as high risk, it had to be passed to the relevant team to assess whether it could allow the transaction to proceed. And further when Mrs K decided to cancel the transaction and wanted to transfer the money out of the Revolut account to another account, the same concerns about fraud held up that payment and essentially she had to go through the whole process again.

I do think that Mrs K could have had her expectations managed better. She was told initially that the process would take around 10 minutes but she was still on the online chat after 2 hours. The verification process took around 48 hours, and although that was within the time allowed for Revolut’s procedures, nevertheless Mrs K had to speak to 8 different agents throughout the process and this involved repeatedly being given the same warnings about the risks and her having to answer the same questions. It is for that reason that our Investigator recommended that Revolut pay £150 compensation and I think that is a fair and reasonable award to make.

I understand that Mrs K feels she lost money, by having to rent a different property and transferring the money at a less favourable exchange rate. However I don't think that Revolut is liable for any such losses since, as I've said, it was entitled to hold up the payments whilst it assessed the risk. And the time it took to eventually release the payment is within the time we think it reasonable to allow such payments to be reviewed.

### **Putting things right**

Revolut should pay Mrs K £150 compensation.

### **My final decision**

I uphold the complaint in part and require Revolut Ltd to provide the remedy set out under “Putting things right” above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 5 September 2024.

Ray Lawley  
**Ombudsman**