

The complaint

Mr C complains that Revolut Ltd unfairly closed his account. Mr C adds that Revolut's actions are not in line with regulations.

Mr C says this situation has caused him stress, inconvenience and used up his time. To put things right he wants his account re-opened, an apology and compensation.

What happened

The details of this complaint are well known to 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.

Mr C had a personal account with Revolut.

Mr C has explained that he is the director of a business, which I will refer to as R. R is beneficially owned by a sanctioned individual, who I will refer to as Ms E. Mr C is not a designated sanctioned individual.

Mr C has said that due to the nature of the position he holds with R, he has serious and extensive regulatory responsibilities. And that he is therefore fully aware of the implications of failing to adhere to them. Mr C adds that he is in good standing with two other UK banks, which also have Anti money laundering systems and procedures in place. And that all the funds he sent to his Revolut account originated from one of these other UK accounts. He has also said that he has obtained all necessary licences from the Office of Financial Sanctions Implementation (OFSI) so that R could pay employees, tax and service suppliers.

To comply with its legal and regulatory obligations Revolut reviewed Mr C's account. As part of that review on 20 July 2023 Revolut contacted Mr C and asked him to provide information regarding his source of wealth. Mr C complied with Revolut's request and sent Revolut his bank statement for March 2023, for an account he held with another bank which I will refer to as bank B.

On 27 July 2023, Revolut sent Mr C a message via its in-app chat facility to let him know it had completed its review, and his account was fully operational.

Following this on 1 August 2023, Revolut decided to close Mr C's account and told him he had 60 days to withdraw the funds in his account.

On 10 August 2023, Revolut asked Mr C to provide his bank B account statements for April to July 2023, which he did. Mr C asked Revolut to explain why it had decided to close his account. But he didn't receive a response. Following this Mr C discovered his account had been blocked and that his bank card no longer worked. So, Mr C contacted Revolut on 15 and 18 August 2023, asking again for an explanation. There was no response.

To understand why Revolut no longer wanted him as a customer, on 18 August 2023, Mr C submitted a Data Subject Access Request (DSAR) for all the information Revolut held about him. On 31 August 2023, Revolut sent Mr C some information, which Mr C deemed inadequate as it only contained his name, contact details and account numbers. Mr C let Revolut know he wasn't happy with how they'd responded to his DSAR and what information he was seeking – the reasons for his account being closed.

On 29 August 2023, Revolut told Mr C that it was reviewing the information he had provided, that it couldn't provide Mr C with any timeframe to complete its review and would try its best to speed up its review process.

Between 1 and 15 September 2023, Revolut asked Mr C to provide further bank statements from his other bank account. And to explain a credit of \$500,000 that had been made into the account. Despite finding the request intrusive and unnecessary, Mr C provided all the information to Revolut. And asked Revolut when it would remove the block from his account.

On 15 September 2023, Revolut told Mr C it had blocked his account whilst his account was being reviewed by its escalations team. And that this process could take up to 12 business days to complete.

Mr C complained to Revolut that his account had been terminated, and he hadn't been able to use the account for six weeks. In response, Revolut told Mr C that it was still conducting a security review of his account and had needed to block his account whilst it completed this exercise. And that his account hadn't been fully closed.

Mr C disagreed and pointed out to Revolut that he'd received a notice to close message on 1 August 2023 from them. Revolut said this was an automated message and that in fact his account was still being reviewed.

Following this on 17 September 2023, Revolut sent Mr C another email to let him know it had decided to close his account with 60 days' notice. Mr C thought Revolut must have made a mistake and contacted Revolut for an explanation. In response, Revolut said it hadn't done anything wrong and had closed Mr C's account in line with the terms and conditions of the account. And that his account would be closed on 16 November 2023.

Mr C complained to Revolut and asked to know the exact reasons that led to the decision to close his account. Revolut said it had reviewed Mr C's account to comply with its legal and regulatory obligations. And had closed in line with the terms and conditions.

Mr C remained unhappy and brought his complaint to our service where one of our investigators looked into it. In summary, Mr C said:

- Revolut treated him unfairly when it had closed his account.
- He has received salary and incentive compensation from R over the past 10 years, before Ms E was sanctioned. But he has not received any funds from Ms E since she had been sanctioned or from R except under specific licenses, from OFSI.
- The only payment received from R into his bank B account following Ms E's designation, was in June 2023, and made under an OFSI licence.
- His last salary payment from R was in March 2023, all subsequent payments for all employees are awaiting OFSI licences, and R's bank is complying rigorously with its regulatory obligations.
- His source of wealth isn't linked directly or indirectly with Ms E.
- He understands that Revolut might not have the resources to maintain accounts for sanctioned individuals, but he isn't a designated sanctioned individual.

- To close his account because he is employed by a company which is indirectly owned by a sanction individual, is a different test, and in his view an unfair one applied in an arbitrary manner.
- Revolut's process for evaluating and addressing his questions and concerns is totally inadequate, and in breach of their regulatory obligations.
- Revolut's extensive use of redaction in their DSAR response raises a concern that they are using this as a way to avoid a proper level of disclosure.

The investigator asked Revolut for some more information. After reviewing everything the investigator partly upheld Mr C's complaint. They said Revolut shouldn't have closed Mr C's account immediately and should have given him more notice. But they said Revolut didn't have to provide Mr C with an explanation for why it no longer wanted him as customer. They also said Revolut gave Mr C misleading information when it told him his account was working when it wasn't. To put things right the investigator said that Revolut should pay Mr C £100 compensation for the trouble and upset this had caused him.

Mr C disagreed. In summary he said:

- None of the terms and conditions initially quoted by Revolut to him for the reasons it closed his account applied to him. And if they did he would have had his other bank accounts closed, which hasn't happened.
- The information he obtained via the DSAR suggests there had been no sanctions breaches and his account activity raises no concerns. So, he doesn't understand which terms and conditions he is supposed to have breached.
- He understands Revolut's risk appetite for not wanting to have any dealings with an individual or entity subject to sanctions – but he is not a sanctioned individual.
- He accepts that Revolut may not have the appetite to offer an account to an employee or contractor of a company controlled by a sanctioned person, and that this is a commercial decision it is entitled to take. However, he doesn't believe this to be their genuine position because it would be impossible to set up a procedure to accurately identify such people. And any attempt to do so would flag thousands of UK residents who work for companies owned by sanctioned individuals.

One of our investigator's looked at everything again and asked Mr C and Revolut for more information. After looking at all the evidence, the investigator said that Revolut had taken too long to review Mr C's account, but this didn't prevent Mr C from withdrawing his account balance. She also said Revolut made a mistake when it told Mr C his account was fully operational in July 2023, when it wasn't. And they thought Revolut should have allowed Mr C to use his account during the notice period. To put things right she said Revolut should pay Mr C £100 compensation.

Revolut agreed with the investigator's recommendation. Mr C didn't. He said he hasn't breached the terms and conditions of his account and reiterated that he isn't a sanctioned individual. Mr C argued that from looking at the information obtained via the DSAR it appears that at one point Revolut had no concerns about him or his account activity, but it seems this decision was overruled. He said he hasn't been provided any explanation about what led to this decision. So, he says Revolut have acted unfairly by closing his account.

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 financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Revolut has treated Mr C fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr C's submissions.

I'll deal first with Revolut's decision to review Mr C's account. As the investigator has already explained, Revolut has a wide variety of legal and regulatory obligations it must follow when providing accounts to its customers. These obligations are ongoing and are not only relevant when an account is opened. It appears Mr C is aware of these obligations and accepts this position.

Revolut has said it was blocking access to Mr C's account due to UK financial sanctions and asset freeze requirements. Sanctions can be very broad and relate to countries, individuals, trade and transactions. Revolut is expected to take measures to comply with current sanctions, which means it has extensive things it needs to be aware of and monitor.

Sanctions are just one of the many things Revolut must take into account to ensure it's doing what it should. And, if it didn't review accounts and the activity taking place on them, it could risk serious penalties. So, having a sanctions policy or other policies to mitigate against potential risks isn't by itself wrong. This applies to both new and existing customers regardless of how many years a customer may have held an account with Revolut. And regardless of any other account held by a customer.

Given the obligations Revolut must follow, and looking at all the circumstances of this complaint, in particular Mr C's responses to Revolut's security review, and his links to Ms E, who is a designated sanctioned individual, and his role within R, I'm satisfied that it was reasonable and proportionate for Revolut to review Mr C's account and ask him to provide information about his source of wealth. The terms and conditions of the account also make provision for Revolut to review an account.

I appreciate that Mr C felt the information that Revolut requested was intrusive and unnecessary. And that he had to go to the trouble of providing his redacted bank account statements and explain some transactions. But the information Revolut was asking Mr C to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to its legal and regulatory responsibilities. It's not in my remit to determine what questions Revolut should ask its customers to ensure it adheres to its responsibilities. And what activities it should or shouldn't undertake.

Revolut are also able to set their own procedures, including how they wish to conduct their reviews. Revolut has explained that when requesting additional information this can prompt a further request and clarification, which can lead to some back-and-forth communications with customers. I don't find this unreasonable. That's because Revolut is required to have up to date information about its account holders including details of their source of wealth, in order to comply with its legal and regulatory obligations. So, whilst I can appreciate Mr C's point of view about the necessity of the information Revolut requested, and how Revolut went about requesting what it wanted Mr C to provide, which included Revolut reaching out themselves to bank B, I can't reasonably say that Revolut acted unfairly or unreasonably in doing so.

Whilst Revolut are entitled to review a customer's account, I'd expect them to do so in timely manner. Revolut took around eight weeks to complete its review of Mr C's account. Revolut blocked Mr C's account whilst it completed its review, so he wasn't able to use his account as usual – although he was able to withdraw his account balance. Revolut hasn't explained why it took as long as it did to complete its review. So, I'm satisfied that Revolut have caused delays, and that Revolut could have completed things sooner than it did here.

I note too that on 27 July 2023, Revolut incorrectly told Mr C that it had completed its review, and his account was fully operational. But this wasn't the case – Revolut were still busy reviewing things and went on to ask Mr C for more information over the coming weeks. Following this Mr C tried to use his card and then had to go to the trouble of contacting Revolut to try and find out what was happening with his account, when his card didn't work. So, I'm satisfied that Revolut's mistake caused Mr C inconvenience.

Closure of Mr C's account

Mr C says Revolut closed his account unfairly - he's said he isn't a sanctioned individual and wants Revolut to explain why it no longer wants him as a customer. Mr C wants Revolut to reopen his account.

Revolut's decision to close Mr C's account was made shortly after it reviewed his account. As a general rule Revolut isn't obliged to continue offering an account to a customer if it doesn't want to, this is a commercial decision and not something this service can get involved with, as this would impinge on their freedom to decide who they want as a customer. That being said it wouldn't be fair or reasonable for Revolut to suspend or close Mr C's account outside the terms and conditions of the account or without valid reason – which includes mitigating any potential risk to Revolut and to its customers. I need to be satisfied that Revolut treated Mr C fairly and closed the account in line with the terms and conditions of the account.

I accept that Mr C isn't subject to any sanctions. But Revolut haven't argued that Mr C is a designated person. Instead, Revolut's argument is Mr C's connection to Ms E - Mr C is the director of a business owned by a sanctioned individual. Revolut took the view that Mr C may facilitate transactions through his Revolut account that go against international sanctions, which could lead to Revolut facing serious penalties. Revolut wasn't prepared to accept this risk that continuing to have Mr C as a customer may breach sanctions.

The question I need to consider is whether it's reasonable for Revolut to think this – and if there's a legitimate concern that Mr C's account and the funds will be used to benefit Ms E, a sanctioned individual. Having reviewed all the evidence shared with me by Revolut, I'm satisfied it is.

Mr C has pointed out that Revolut didn't identify which payments it thought were connected directly or indirectly with Ms E, and says it hadn't shown that he had an income that may

breach sanctions. In other words that money coming into his account and how it was being operated carried no more risk than any other customers accounts.

Whilst I understand the point Mr C is seeking to make here, Revolut has its own risk policy where there is a reasonable belief that having Mr C as a customer would lead to a breach. That is it can to some extent exercise its own judgement and make its own assessment about the risks involved in having Mr C as a customer. Given the wide range of possible breaches of laws or regulations across many different jurisdictions, that does not seem unreasonable. I've also considered the information Revolut has shared with our service in confidence, and having done so I think it was reasonable for Revolut to take the view that continuing to provide Mr C account services might constitute a breach – even if there was a plausible legal argument that it might not.

The terms and conditions allow Revolut to close an account if it gives at least 60 days' notice. In some cases, Revolut could close an account immediately. Revolut wrote to Mr C on 17 September 2023 (after it had decided to continue its review) and gave him 60 days' notice that it intended to close his account. I appreciate Mr C would have found it inconvenient to lose access to all the functions of his account, but the restrictions didn't prevent Mr C from transferring his account balance out to another account.

In this case, whilst I accept Mr C could withdraw his account balance during the notice period, Mr C wasn't able to use his account after Revolut blocked it. So, I consider Revolut closed his account immediately since Mr C wasn't able to 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 that the bank has provided, I'm not satisfied that Revolut did. Having looked at all the evidence and circumstances, including Revolut's reasons for closing Mr C's account I don't think the risk warranted Mr C's account being blocked during the notice period.

Revolut has provided some further details of its decision-making process, which led to the closure of Mr C's account. Revolut has said it relied on its Acceptable Use Policy to deactivate Mr C's account following completion of its due diligence checks. I've seen evidence that Revolut asked Mr C for additional information so that it could understand Mr C's fund movement and intentions better.

Having reviewed everything, I've seen nothing to suggest Revolut's decision around closing Mr C's account was unfair. On balance when considering Revolut's wider regulatory responsibilities and all the information available to me, I find Revolut had a legitimate basis for closing Mr C's account. So, it would not be appropriate for me to ask Revolut to pay Mr C compensation since I don't find Revolut acted inappropriately. And I won't be asking Revolut to reopen his account.

I can see that Mr C finds it frustrating that in response to his DSAR he received information which suggests that there was some discussion and questioning amongst Revolut's review team about the decision to close his account. Mr C has pointed to two entries dated 18 July 2023 and 4 September 2023, which stated there was no reason to off board Mr C and Revolut still didn't have any evidence to confirm funds were linked to Ms E.

Whilst I acknowledge Mr C's pursuit to get absolute clarity, about why Revolut ultimately decided to close his account, and that the comments are unhelpful, Revolut do not have to be explicit in their reason, so, I find no error was made here.

I appreciate Mr C wants to know more. He's asked for details of Revolut's policies and decision making processes. But where Revolut closes an account in these circumstances, it doesn't need to give reasons – and nor would it be appropriate for me to tell Revolut to share its reasons with Mr C. Revolut is under no obligation to share its policies, with him, much as Mr C would like to know.

Finally, Revolut has accepted the investigator's view that its communication, blocking Mr C's account and the time it took to complete its review of Mr C's account fell below the standards it expects. Because of this the investigator said Revolut should pay Mr C £100 compensation for the distress and inconvenience this caused. I appreciate Mr C doesn't think this is enough to cover the time he spent trying to sort thing out and the service he received. However, on balance I think this is fair compensation. In reaching this conclusion, I've kept in mind that this wasn't Mr C's main account. So, I won't be asking Revolut to do anything further to resolve Mr C's complaint.

My final decision

For the reasons given above, my final decision is to instruct Revolut Ltd to:

- Pay Mr C £100 for the inconvenience this matter has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 August 2025.

Sharon Kerrison
Ombudsman