

## **The complaint**

Mr H complains that Revolut Ltd froze the bank account he held with it and unfairly deducted a sum of money.

## **What happened**

The details of this complaint are well known to both parties, so I will just provide an overview of key events here.

Mr H had an account with Revolut, which was then frozen by Revolut in April 2024. Mr H said he contacted Revolut customer services and was told a routine check was being carried out. Mr H periodically contacted Revolut for updates and was told a few days later that his account had been closed. An amount of £217.25, related to a single transaction on Mr H's account, was also deducted from his account by Revolut.

Mr H complained to Revolut about what he saw as a single sided review of his account. He provided Revolut with information about the transaction in question. Mr H also complained about the customer service he received when he contacted it.

Revolut didn't uphold Mr H's complaint. It said that as a regulated institution, it may be required to pause accounts or payments until reviews are complete. It said, following the review, it had decided to no longer offer its services to Mr H and had already informed him that his account was closed. Revolut said the account was being used in a way that wasn't compatible with its platform.

Mr H was unhappy and so complained to this Service. He said the money removed from his account by Revolut was for a legitimate transaction. He felt Revolut should have contacted him and asked him for information about the transaction. Mr H said he was left without his weekly living allowance during the review. He said this caused him a great deal of stress.

When our Investigator contacted Revolut it said it had carried out a second review and cancelled the account closure. Revolut said it was willing to refund the £217.25 and add 8% interest to compensate Mr H for the time he was without the use of that money.

Our Investigator looked into matters and thought Revolut should also pay Mr H £150 compensation for the distress and inconvenience this matter caused.

Revolut agreed to pay the additional compensation, but Mr H didn't feel the compensation offered was fair. So this came to me for a decision.

## **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 think it's important for Mr H to understand that regulated financial institutions have a responsibility to ensure they carry out reasonable security checks, should something arise

that triggers concerns. The approach this Service takes is that we would rarely interfere with these checks.

In this case, I'm satisfied that the information provided by Revolut shows that it had legitimate concerns in relation to Mr H's account, and so I think the steps it took to block the account and begin a review were reasonable. Mr H mentioned that he thought Revolut should have warned him about the impending block on his account, but I don't think it needed to do that.

Having said that, given the nature of the concerns, I do think Revolut could have contacted Mr H to see if he might have information that would assist the review process, once the block had been imposed. And I can see that Mr H did have information that might well have helped. But this wasn't done. It wasn't until a second review was carried out some weeks later that Revolut decided it had made an error when it removed the money from Mr H's account and closed it.

It's also important for Mr H to know that this Service doesn't punish businesses for making errors. We are not the regulator and that's not our role. So although it's clear Revolut made mistakes here, the steps we take to put that right are to see whether there were any financial losses as a result of the error, and to assess the impact of any distress and inconvenience caused by the error.

The financial loss here is the £217.25 that was removed by Revolut from Mr H's account. Revolut has already agreed to refund this, along with a payment to compensate Mr H for the loss of the use of this money. For both simplicity and consistency, this loss of use payment is worked out by calculating 8% of the financial loss. So Revolut should make this payment to Mr H, if that has not already been done.

I've then looked at the distress and inconvenience this matter has clearly caused Mr H.

I've already made a finding that Revolut acted fairly when it blocked Mr H's account and began the process of reviewing it. So compensation can't be awarded for the distress and inconvenience Mr H will have experienced when he found out his account was frozen and that a review would take place. And although I think Revolut should have contacted Mr H and asked him for information about the transaction in question during the review process, the fact is he would still have been without access to his funds while the review was happening. So I can't award compensation for that either.

But having seen the information provided about Mr H's contact with Revolut customer services, I do think he was provided with poor service and I think this poor service exacerbated the stress already being experienced by Mr H. And there's no doubt he found it stressful when he learned his account was closed and the money was removed from his account. Mr H has said it was difficult for him to be without access to that money. So it's clear the errors made here caused Mr H both distress and inconvenience.

Our Investigator has already suggested compensation of £150 for the distress and inconvenience caused to Mr H and I agree that this is a fair amount.

### **Putting things right**

- Revolut should refund Mr H the £217.25 it removed from his account. It should add 8% interest simple onto this amount, from the day the money was removed from Mr H's account to the day Revolut refunded it.
- Revolut should pay Mr H £150 compensation.

**My final decision**

It's my final decision that I uphold this complaint and instruct Revolut Ltd to put things right as outlined above.

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

Martina Ryan  
**Ombudsman**