

The complaint

Mr S complains that Revolut Ltd misadvised him about an incoming transfer which led to him losing out on interest as part of an Investment opportunity. He's also unhappy they restricted and closed his account.

What happened

On 2 May 2022 Mr S sent a transfer of 106,000 dollars to his Revolut account.

On 3 May 2022 Mr S queried why the payment hadn't arrived, and following conversations via online chat with Revolut agents he was informed initially they had a limit of 100,000 dollars per transfer then later 25,000 dollars. And for this reason the payment wouldn't be credited to his account.

Revolut received Mr S's transfer on 13 May 2022 but returned it to source.

Mr S complained to Revolut about the incorrect information on their website and the incorrect advice he received from their case handlers.

Revolut accepted they'd made an error in the advice given, and the transfer allowances quoted on their website. They refunded Mr S the equivalent of three months of premium plan fees – a total of £20.97.

Mr S explained that he intended to re-invest 100,000 dollars of the total transfer with an investment I'll call M. And he argued his losses were interest on the 100,000 dollars at 1.75% per month for a period of 10 days, a delay in being able to invest a further 200,000 dollars in M and two wire fees – for the original transfer and the follow up transfer. In total Mr S argued his losses were 1,298.05 dollars, plus the stress caused.

On 6 June 2022 Revolut reviewed Mr S's account, and on 1 July 2022 they notified him they'd be closing his account facilities with immediate notice.

As Mr S remained unhappy he brought his complaint to our service. On the complaint coming to our service, Revolut made a further offer of £100 compensation. Revolut advised they could have been clearer about the transfer, and caused Mr S inconvenience – but they'd acted fairly in restricting and closing his account.

Mr S didn't accept the offer – and reiterated the compensation he felt was fair.

One of our Investigators was allocated Mr S's complaint – he reached out to Revolut to ask whether they'd reconsider the offer, and increase the compensation based on what Mr S was requesting.

Revolut argued that Mr S was partly using his account for investment purposes, and as it's a retail not a business account he shouldn't expect to be refunded hypothetical losses related to further transfers. But, Revolut advised they were willing to offer £100, plus interest and some additional fees.

Our Investigator issued their view, and explained they thought Revolut acted fairly in closing Mr S's account. And they thought the £100 offer was fair, along with interest and additional fees (if Mr S can evidence this)

Revolut accepted our Investigator's view. But Mr S didn't. In response he argued that he'd not been asked for any evidence of his losses, queried the closure reason they relied upon and argued they wouldn't let him take his funds out of the account.

Mr S sent in evidence of his online chat with Revolut, an investment agreement between him and M – and also added they charged him an annual fee for a year part of which they closed his account.

Our Investigator reviewed the additional evidence but didn't change their outcome. They explained that they thought the restriction was fair and Revolut were entitled to make a commercial decision to close Mr S's account. In considering the compensation they thought it was more likely the 1.75% interest Mr S was claiming for was being paid on an annual rather than a monthly basis. And they felt that Mr S needed to supply Revolut with the amounts he was claiming to allow them to pay this.

Mr S still didn't agree – so the case was passed to me to decide.

On reviewing Mr S's case, I asked for further details from Revolut regarding the account restriction. And evidence from Mr S for the source of the funds he was planning to invest with M – which Mr S provided.

After reviewing the evidence provided, I shared my initial thoughts with Mr S. In summary I advised that I thought Revolut had acted fairly in closing his account, but the restriction should have been removed more quickly. I explained I was satisfied that Mr S was due to receive 1.75% interest on a monthly basis – and due to the 100,000 dollars not being deposited when Mr S expected, he lost out. And I thought this loss was 564.52 dollars.

I advised I hadn't seen sufficient evidence to show Mr S had missed out on interest on the 200,000 dollars as a result of the loan agreement being amended. And even if it was, I explained it's unlikely I could conclude that this change should have taken six days - and compensate Mr S the interest he asked for. I advised I'd consider recommending that Revolut covering the wire fee costs if Mr S was able to provide evidence he paid for them.

Mr S didn't agree with my initial thoughts. He highlighted that he hadn't received a pro-rata refund for the annual fee, it took him months to negotiate with M that he wouldn't lose out from investing the 200,000 dollars late and he shared a letter showing he's responsible for all wire fees to M.

On receiving Mr S's response, I reached out to Revolut for further information – including further details on their reasons for reviewing his account and whether any money remained. Revolut responded and provided further evidence for me to consider.

On reviewing the additional evidence from Revolut I issued a Provisional Decision explaining my outcome.

In my Provisional Decision I explained that although Revolut accepted they'd made errors in communicating the transfers allowance I didn't think awarding distress or inconvenience was appropriate in this case.

Revolut didn't reply to my provisional decision.

Mr S rejected my decision. In response, Mr S said he was asked to provide his direct losses including wire fees and loss of interest, and if there's any further proof that can be provided he can do so. Mr S also added he can't see where I've explained he shouldn't be entitled to his direct losses caused by Revolut publishing incorrect information on the app.

As Mr S didn't agree, I've reconsidered my conclusion below.

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.

In my Provisional Decision I said:

Revolut have accepted they made errors via the online chat and with the information on their website. So, it's only left for me to decide the impact of their actions on Mr S.

Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. Having looked at what's happened I appreciate why Mr S may have found this inconvenient, but Revolut must ensure they keep their due diligence checks updated at all times.

At times, following a review, banks sometimes choose to end their relationship with customers. This can be due to a number of reasons and a business isn't obliged to give a reason to the customer. Just the same as if Mr S decided to stop holding an account with Revolut, he wouldn't have to explain why. Although there's no requirement for Revolut to share a reason with Mr S, they are required to provide our service with an explanation. And demonstrate how they've complied with their own terms and conditions. Revolut have done this, and having reviewed what they've shared with me, I'm satisfied their actions were appropriate in the circumstances.

Mr S has also raised that Revolut didn't return to him all the funds in his account (just under £2). Revolut have advised me that no funds remain in the account – and I've no reason to believe this isn't the case.

I've considered Mr S's request for a pro-rata refund for the annual fee on his Premium plan. Revolut argue that Mr S was already refunded for this, and they've shared evidence with me to show this is the case – this demonstrates that Mr S was refunded £20.97 on 12 May 2022 and £72.00 on 28 July 2022.

I've thought about the evidence Mr S has provided for the inconvenience and financial loss caused to him from the delay in investing his funds. And after considering what Mr S has said, information shared by Revolut and the content of their review, I don't find awarding Mr S compensation would be fair or appropriate. I understand Mr S would naturally want to know the information I have weighted in order 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.

DISP 3.5.9R states:

“The ombudsman may:

(1) exclude evidence that would otherwise be admissible in a court or include evidence that would not be admissible in a court;

(2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate;
..."

Accordingly, I have accepted information in confidence which I am not disclosing to Mr S. And the description of that information is that it's of a nature which justifies Revolut's review, and which has led me to provisionally decide that awarding Mr S compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint.

So, I'm not requiring Revolut to compensate Mr S for financial or other losses he may have experienced as a result of a potential delay in Revolut carrying out its review, their failure to correctly advertise payment limits for transfers or communicate with Mr S clearly via online chat or any other failings that have occurred.

Revolut have previously offered to pay Mr S £100 compensation for the errors made in receiving the 106,000 dollar transfer. For the reasons I've outlined above I'm not planning to direct Revolut to pay this. Mr S will need to reach out to Revolut directly if he wishes to accept the offer.

I've considered Mr S's response to my Provisional decision. In response, Mr S said he was asked to provide his direct losses including wire fees and loss of interest, and if there's any further proof that can be provided he can do so. Mr S also added he can't see where I've explained he shouldn't be entitled to his direct losses caused by Revolut publishing incorrect information on their app. I'm afraid as I explained in my Provisional Decision our service is entitled to accept information in confidence where the ombudsman considers it appropriate – and I think it's appropriate to do so in Mr S's case. Having reviewed this information I've concluded that awarding compensation isn't a fair or appropriate outcome for his complaint. I won't be able to say anything further on this.

For the reasons I've outlined above I won't be asking Revolut to do anything further here.

My final decision

My final decision is I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 November 2024.

Jeff Burch
Ombudsman