

## **The complaint**

Mr R complains about the service he received from Revolut when it blocked a payment of £10,000 that Mr R intended to invest. Mr R says he authorised the payment in Revolut's app, but it wouldn't allow him to proceed and failed to assist him or advise him what he could do when he contacted it.

## **What happened**

On 21 October 2024 Mr R attempted to make a payment of £10,000 from his Revolut account but the payment was blocked. Revolut's systems show it sent Mr R a notification at 9.32am saying:

"Our systems have identified a possible scam, and we've blocked similar merchants. Tap to review."

At 9.34 Revolut sent a further notification saying:

"We strongly advise you not to proceed with this transaction. Tap for more Transaction scam warning."

Revolut say it also sent an email regarding the transaction advising it had identified a possible scan and as a precaution it declined his payment and blocked similar merchants and that Mr R can review the risks and unblock merchants via the button below. But Revolut haven't provided any internal evidence showing when this was sent.

Mr R says he followed the prompts he got on the Revolut app to authorise the payment, but it remained blocked with a note indicating it would stay blocked until Revolut reviewed it as the merchant was unsafe/fraudulent.

Mr R noted that on the home screen of his Revolut app there was an option to unlock the merchant but when he clicked on it the option to unblock was greyed out and he wasn't able to pay this merchant even smaller amounts – the merchant being completely blocked.

At 9.37 Mr R contacted Revolut via live webchat about this explaining he wanted to make a transaction to his investment company, but Revolut was declining it. Revolut responded saying it was declined due to being considered high risk in nature and advising amongst other things he consider using a different payment method and that he may need to wait until the unblocked date of 29 October or try a smaller transaction at which point Mr R asked to speak to a human advising it was time sensitive.

At 9.41am Mr R's statements show he transferred £10,000 out of his Revolut account to another account held in his name.

At 9.44am Revolut's agent advised Mr R again the payment was declined due to its possible high risk nature and apologised for any issues caused. Mr R was unhappy with this as the payment was to a well known investment bank.

At 9.54 Mr R advised he'd had to remove his money and pay it from another bank and raised a complaint.

Revolut's agent explained the block was in place due to security measures which is set for review until 29 October and that there was nothing they could do, apologised for the inconvenience and again suggested using an alternative method of payment, which Mr R confirmed he had.

Revolut responded to Mr R's complaint confirming what he'd been told was correct and that his payment was declined for being possibly high risk nature and had been flagged by its automated security system and as such it was obliged to perform security checks on the payment and the transaction was blocked in line with its terms and conditions. Revolut acknowledged the inconvenience and upheld Mr R's complaint and upgraded his subscription to its metal plan for three months free of charge.

Mr R was dissatisfied with this and requested £100 compensation. Mr R says despite confirming he wanted to make the payment and completing all the checks the payment was still blocked and that he was advised the payment was to a scam company which it wasn't. He says this caused him a lot of anxiety and lost him a beneficial buy in time. So Mr R brought his complaint to this service.

Following this Revolut gave a different explanation to this service about what happened. It said its fraud system was triggered for the payment and although Mr R still wanted to proceed with the transaction, he did not complete its process and confirm he was okay with unblocking such payments and acknowledging its risk agreement. Had Mr R done so Revolut says the payment wouldn't have been declined.

One of our investigators looked into Mr R's concerns but didn't think Revolut had treated Mr R unfairly when it declined the payment and asked Mr R to verify it as it has a duty of care to safeguard its customers money and the account terms and conditions allowed Revolut to do this. And as Revolut's system showed Mr R failed to provide further information about the payment or acknowledge the risk agreement they didn't think Revolut had made an error in not releasing the payment. They thought that the offer of three months of Revolut's metal subscription was a reasonable way to settle the complaint.

Mr R disagreed he says he wasn't able to verify the payment or that there were any further actions he could take which is why he contacted Revolut via live chat where it was confirmed the payment would be blocked until 29 October. He says what Revolut is saying now that he didn't finish the authorisation process contradicts its initial advice and questions why Revolut's agent in the webchat didn't instruct him to do this if this was possible. Mr R has asked for an ombudsman's decision on the matter.

I issued my provisional decision on 27 February 2025. In my provisional decision, I explained why I was proposing to uphold Mr R's complaint. I invited both parties to let me have any further submissions before I reached a final decision and Mr R has accepted my decision while Revolut hasn't added anything further.

### **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 that:

*"My role is to look at problems that a consumer has experienced and see if the business has*

*done anything wrong or treated them unfairly. If it has, we seek to put the consumer back in the position they would've been in if the mistakes hadn't happened. And, where there's a dispute about what happened – as in this case - I've based my decision on what I think's more likely to have happened in light of the evidence.*

*And having considered everything, I'm currently intending to uphold Mr R's complaint.*

*It might be helpful for me to say here that, I don't have the power to tell Revolut how it needs to run its business and I can't make Revolut change its systems or processes – such as how or when activity on an account is reviewed and restrictions applied for fraud prevention. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures Revolut needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.*

*That said I don't think it was unreasonable for Revolut to have automated systems in place where certain transactions are flagged for additional security checks to assist in preventing fraud and meeting its regulatory requirements. This is needed not only to protect businesses against criminal activity, but also their customers.*

*In this case it is clear to me that the transaction Mr R wished to make triggered Revolut's automated fraud prevention systems. And given the value of the transaction involved I don't think this was unreasonable or at this point an error had occurred on Revolut's behalf.*

*But following this I think something did go wrong and I think there has been a service failing on Revolut's behalf in that it failed to identify why Mr R couldn't make the transaction he wished to make and what he could do - if anything - to resolve the issue.*

*Indeed, in the first instance Mr R was told payments to the merchant were blocked likely due to the high risk nature of the payment and that it was set for review on 29 October and suggested he use an alternative means to make the payment, but there was nothing else that could be done. And this was also confirmed in its final response letter where it upheld Mr R's complaint and offered him three months of its metal subscription to compensate him for the inconvenience.*

*Then following Mr R bringing his complaint to this service Revolut changed its position stating that the transaction was blocked due to Mr R not completing its process confirming he was okay with unblocking such payments and acknowledging its risk agreement.*

*I've considered all the evidence and information provided by both parties and I can't say what went wrong – whether it was due to Mr R not completing an authorisation step in Revolut's process or not. But I agree with Mr R if it was a matter of him not following or completing Revolut's security processes why wasn't this identified initially when the payment was stopped or when he raised it on the webchat or when Revolut investigated Mr R's complaint. Instead Mr R was told he had to wait until 29 October for the payment to be reviewed and there was nothing he could do.*

*So for this reason I think there has been a service failing on Revolut's behalf. So what I need to decide is what Revolut needs to do to put things right.*

*I note that Mr R was still able to make the transaction he wished to make within 20 minutes of having the transaction declined and contacting Revolut about this as his statements show him transferring £10,000 back to himself and the webchat confirms he'd made alternative arrangements to make the payment.*

*So as Mr R was able to mitigate the issue and find an alternative way to make the payment -*

*in a short space of time - I'm not persuaded Mr R has suffered any significant financial loss. And in any case as I'm not able to say whether the payment was declined due to a security check – which Revolut is entitled to do under its terms and conditions - or an error in Mr R's behalf, I don't think it would be fair to hold Revolut responsible for this.*

*But Mr R has been inconvenienced and given contradictory information and ultimately had to bring his complaint to this service. So I do think some compensation is warranted above the metal subscription already provided. And taking all this into consideration I currently think £100 compensation is fair in the circumstances."*

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.

### **My final decision**

For the reasons I've explained I uphold Mr R's complaint against Revolut Ltd and direct it pay Mr R £100 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 April 2025.

Caroline Davies  
**Ombudsman**