

The complaint

Mr O is unhappy that Revolut Ltd restricted and later closed his account without explanation.

What happened

Mr O's account was initially restricted on 27 September 2018. Revolut contacted him on 16 November 2020 to let him know the restrictions had been removed, but Mr O took no further action and didn't resume his use of the account.

On 2 and 3 August 2024 Mr O attempted to open a new account with Revolut but his application was unsuccessful. He made a complaint to Revolut about the restrictions that remained in place on his existing account at this time. Revolut considered the complaint and made the decision to close Mr O's account. It's explained the closure should've taken place back in 2018 but due to an oversight this didn't happen.

Our investigator looked into things and ultimately concluded that although Revolut reasonably ought to have closed the account back in 2018, they didn't think any redress was payable in this case. As Mr O didn't accept this the complaint has been passed to me to consider.

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.

Was Revolut acting fairly in restricting Mr O's account in 2018

I'll start by setting out some context for the review of Mr O's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations.

Revolut has provided this service with information about why it decided to block and review Mr O's account in 2018. Our rules allow us to receive evidence in confidence. We may treat evidence from banks and financial businesses as confidential for a number of reasons – for example, if it contains security or commercially sensitive information. Some of the evidence Revolut has provided is information that we consider should be kept confidential. This means I haven't been able to share a lot of detail with Mr O, but I'd like to reassure him that I have considered everything carefully. Having done so I'm satisfied Revolut's reasons for reviewing Mr O's account were fair and reasonable.

Revolut has said that at the end of its 2018 review it should've made the decision to close Mr O's account, but due to an error this didn't happen. Instead the account remained restricted for around two years.

Mr O has said this error and the account remaining restricted for around two years caused him considerable distress and inconvenience and feels Revolut should compensate him for this. But having considered everything here I don't agree.

As I've explained above Revolut has provided this service with evidence in confidence, which I have taken into account in this case. And having done so, overall, I'm satisfied it wouldn't be appropriate for Revolut to pay Mr O compensation for the delays in this case.

But further to this, it appears that in 2018 Revolut let Mr O know his account was restricted. Shortly after this he removed the money from the account and stopped using it. It doesn't appear he raised any concerns about this until 2024, almost six years later. Based on this, and Mr O's testimony, it's not clear what the impact of Revolut's administrative error actually was. It appears once the account was restricted Mr O seemingly started using another account and chose not to pursue the matter for several years.

Overall, whilst Revolut left the restrictions in place on Mr O's account for several years in error, I don't think it needs to pay Mr O any compensation for this.

Has Revolut acted fairly in closing Mr O's account

I've also thought carefully about what ought to have happened had no error occurred. Revolut has explained that it should've closed the account back in 2018 but due to an oversight this didn't happen. So I've gone on to consider whether Revolut's reasons for closing the account back in 2018 would've been fair as well as whether it acted fairly in ultimately closing the account in 2024.

Banks are entitled to decide for themselves whether to do business or continue doing business with a customer. Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer.

Revolut can only close accounts in certain circumstances and if it's in the terms and conditions of the account. Revolut have relied on the terms and conditions when closing Mr O's account and, it has provided supporting evidence to show why the terms and conditions it's relied on are applicable in this case. Having reviewed this information, I'm satisfied Revolut's decision to close the account back in 2018 based on the evidence available at the time was fair and reasonable. I'm also satisfied it's acted fairly and reasonably in closing the account in 2024.

Whilst I can't disclose more information about this to Mr O I hope I can provide assurance that his account wasn't closed for an improper reason.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 15 July 2025.

Faye Brownhill

Ombudsman