

## **The complaint**

Mr A complains Revolut unfairly froze his account and returned funds to sender, before closing his account.

## **What happened**

Mr A had an account with Revolut and in July 2025 his account was frozen while Revolut investigated incoming payments. Revolut contacted Mr A to say it had received a report regarding payments sent to him, and asked Mr A to provide evidence the payments were legitimate.

Mr A provided his chat history with the sender of the funds to attempt to verify the transaction as legitimate. The chat history evidences that Mr S was in contact with the third party over renting a room. Revolut completed a review but concluded that the evidence wasn't sufficient so returned the funds to the sender. Revolut made Mr A aware of this. Mr A has said that he'd contracted with the third party to rent a room, and the funds were in relation to that rental agreement. The third party then changed their mind about renting the room.

Mr A made a complaint regarding this to Revolut. Shortly after Mr A made a complaint, Revolut made the decision to close the account, providing Mr A notice until September before the account would be closed. It then issued its final response in which it explained it reviewed the report it received, and it's obligated to send the funds back if another entity disputes it, and the outcome if its review turns negative. It also explained that as a result of the review it would no longer be able to offer Mr A services. It said all the correct procedures were followed, and it provided Mr A adequate support throughout.

Unhappy with Revolut's response Mr A brought the complaint to our service, one of our investigators looked into the case and spoke with Mr A for further information. Mr A explained that he doesn't have any adverts for his property rental, he just reaches out to people directly. He also didn't have any evidence of a contract, and he said he had explained the non-refundable nature of the deposit over the phone in a call he had with the third party.

Our investigator reached their findings. They concluded that Revolut were acting in line with their terms and conditions when they returned the funds to the sender. They explained that they had asked Mr A for more evidence he was unable to provide, other than by telling us the agreement was reached over the phone. They believed that without documentation, they couldn't agree that Mr A was entitled to the money. They also concluded that Revolut were fair in closing the account in the way that it had.

Mr A disagreed. He explained that he thinks it's quite clear that when someone pays rent, then doesn't want to rent anymore they shouldn't get their money back. He reiterated that he'd told the third party once they secured the room the payment is final. Mr A says he's lost rental income which was vital to him.

As no agreement could be reached, it 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'm aware I've summarised the events of the complaint and in 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 focussed 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. I do stress however that I've considered everything Mr A and Revolut has said before reaching my decision.

I would add too, that our rules allow us to receive evidence in confidence. We may treat evidence in confidence from banks for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some information Revolut has provided is information that we considered should be kept confidential.

UK legislation places extensive obligations on regulated financial businesses. Financial institutions sometimes must establish the purpose and intended nature of transactions and 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 and aim to detect financial crime and fraud and protect customer's interest. In Mr A's case I'm satisfied Revolut was complying with these obligations when it reviewed the payment into Mr A's account.

Mr A's account was blocked and reviewed once Revolut received the report from the third party. In light of its legal and regulatory obligations I'm satisfied it acted fairly in blocking Mr A's account. I must also highlight the terms of Mr A's account – which he agreed to when the account was opened, allow Revolut to review certain transactions and block the account whilst it conducts reviews.

Whilst the account was blocked Revolut received further information from Mr A. Mr A sent details of the chat history he had with the third party. I've looked at what Mr A told Revolut as well as the information he has provided to our service to decide whether there is sufficient evidence to support his assertion that the funds are legitimately his. Mr A says the payment is for rent, and the third party simply decided not to go ahead with the rental. Whilst Mr A has provided evidence of his chat history, he's been unable to provide any rental agreement, advert for his rental, or evidence to support any terms in relation to the payment received. I've also reviewed the information provided by the third party in submitting the report, some of which I consider confidential, and when weighing all this up, I'm satisfied Revolut was reasonable in making the decision that it would not be appropriate to release the funds to Mr A. It was therefore fair and reasonable, to return the funds to the third party.

The evidence provided to Revolut as well as its own internal review of the account, led Revolut to close Mr A's account. Revolut is entitled to set its own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Revolut should have in place. I can however, while considering the circumstances of the individual complaint, decide whether I think Mr A has been treated fairly. As long as Revolut reached their decision fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. Revolut shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or

unlawful discrimination. Given Revolut's legal and regulatory obligations, I'm satisfied Revolut decision to close Mr A's account was made fairly.

The terms and conditions of Mr A's account set out that the bank can close the account by providing notice. In this case Revolut provided notice and placed some restrictions on the account. Having reviewed the terms and all the evidence Revolut has provided I'm satisfied it was fair to close the account in the way it has.

I'm sorry about the situation Mr A has found himself in financially, and the impact that not receiving these funds may have on him. But I don't find Revolut to have made a mistake here, so I won't be asking it to do anything differently.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 November 2025.

Simon Yates  
**Ombudsman**