

The complaint

Miss A complains Revolut Ltd closed her account and recorded information with the Cifas national fraud database.

What happened

Miss A had an account with Revolut. In 2025, Revolut blocked the account while it carried out a review. A third party had reported that a payment into Miss A's account was fraudulent. Miss A provided information showing that the third party had subsequently withdrawn this report. Nonetheless, Revolut completed its review, decided to close the account, and reported details of the closure to the Cifas national fraud database. During this period, access to the funds in the account were restricted. Dissatisfied with this, Miss A complained to Revolut and referred the complaint to us.

Revolut has now removed the information it recorded with Cifas and reopened Miss A's account. Revolut offered to pay £250 to reflect the distress and inconvenience this all caused. Our investigator looked at what happened and thought that Revolut should pay Miss A a further £250, plus interest (the rate was 8 per cent. a year) to compensate her for the time she'd been deprived of the funds. Revolut paid Miss A £572.94 in December 2025.

Miss A thinks she should get more. The complaint has been referred 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.

Revolut accepts it shouldn't have closed the account and that Miss A's would have regained access to the funds sooner. Although Revolut received a report that a payment into the account was fraudulent, it turned out this was a dispute between Miss A and a customer about the receipt of goods. Revolut has now removed the information it recorded with the Cifas fraud database. And it has now paid Miss A £500 to reflect the distress and inconvenience this all caused together with simple interest to compensate Miss A for the time she was out of pocket. The main question I need to decide is whether the compensation Revolut has paid is fair.

Where I decide, or a business agrees, that a complaint that an account was closed incorrectly should be upheld, the compensation I'd award is intended to put the complainant as far as possible in the financial position they'd be in if things had happened as they should. I can also award compensation for distress and inconvenience. This however is not intended to punish the business but to reflect the impact it had on its customer. I've thought about the what this means in the circumstances of Miss A's complaint.

I accept that what happened would have had a significant impact on Miss A. In addition to losing access to the funds in the Revolut account, Miss A says the information recorded with Cifas led other financial businesses to give notice to close accounts. And there do appear to have been unnecessary delays to Revolut's review. Although Miss A told Revolut her

customer had withdrawn the fraud claim – and this was subsequently confirmed by the sending bank – Revolut didn't return the funds until August 2025 and didn't offer to reopen the account until September 2025. That said, I can't say Revolut were wrong to initially restrict the account while it looked into things, given the report it received. Thinking about all of this, I think the £500 already paid by Revolut would be fair compensation for the distress and inconvenience this caused.

Miss A has also asked that Revolut compensate her for financial losses – she says that as she didn't have access to the funds she needed to borrow money, which she did through a pawnbroker. She says she borrowed £730, and incurred £80 interest and fees. I've thought about this. It wouldn't be fair to tell Revolut to reimburse Miss A for the £730 she borrowed – she had the benefit of these funds and would be able to repay this amount once she regained access to the funds in the account. I accept Miss A paid interest, but to conclude this was solely because of what Revolut did would involve a full examination of Miss A's financial position throughout the period, and would need to consider whether Miss A needed to borrow and whether she could reasonably have taken steps to reduce this. In the circumstances, and in line with our longstanding approach to compensation where customers are deprived of money, I find it fairer to instead award simple interest (the rate is 8% simple per year). Revolut has already paid Miss A this for the period from 1 July 2025 until 7 August 2025 when she got the money back. I think this is fair compensation in the circumstances of the complaint.

My final decision

My final decision is Revolut Ltd has offered Miss A fair compensation in the circumstances of this complaint. Revolut has already paid this. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 7 May 2026.

Rebecca Hardman
Ombudsman