

complaint

Mr N complains about blocks placed on his account by Revolut Ltd and the service he received afterwards.

background

Mr N opened a Revolut account and uploaded his ID, but his account wouldn't open and he had to open another account for his wages. Mr N said that Revolut then said his account was active but after he made payments and topped-up the account it was blocked again.

Revolut unblocked Mr N's account, but later blocked it again. Mr N said Revolut asked him for a picture of his passport held next to his face, but he said he found this demeaning and not a regulatory requirement and asked for his funds to be returned. He said the next day he uploaded his image, but Revolut continued to require his picture with his passport.

Mr N said Revolut's ID requirement isn't mentioned anywhere on its website. And it took 27 hours to unblock his account during which time he couldn't pay rent and had to borrow from a friend. He complained about poor communications and lack of assistance from Revolut.

Revolut said Mr N's account was blocked by its automated system and unblocked the same day. When Mr N's account blocked again Revolut requested his photo with passport. Revolut said Mr N wouldn't cooperate and it couldn't unblock his account. It said Mr N asked for his funds to be returned, and it did this. Revolut said it acted in accordance with its legal and regulatory obligations as reflected by the following terms and conditions of the account.

7.1. You agree to cooperate with all requests made by us or any of our third party service providers on our behalf in connection with your Revolut Account, to identify or authenticate your identity or validate your funding sources or Revolut Transactions. This may include, but not limited to, requesting further information that will allow Revolut to reasonably identify you, including requiring you to take steps to confirm ownership of your phone number or payment instruments or verifying your Information against third party databases or other sources.

7.2. We reserve the right to close, suspend, or limit access to your Revolut Electronic Money Account and/or the Revolut Services in the event we are unable to obtain, verify such information or you do not comply with our requests under 7.1 of these Terms.

Mr N said Revolut photo request wasn't in its terms and isn't a regulatory requirement. Mr N wants Revolut to pay him compensation for requesting identification it already held and for the poor service and communications he received, causing him worry and inconvenience.

The investigator didn't recommend the complaint be upheld saying Mr N agreed to the terms and although they don't mention every scenario they do state: *"You agree to cooperate with all requests made by us [...] to identify or authenticate your identity."* He said it's a general requirement for banks to know their customers, and the request is reasonable, particularly for Revolut as an internet bank. He said Revolut wasn't aware that Mr N no longer wanted an account so it didn't have to suggest the return of his funds.

Mr N disagreed with the investigator, saying he'd received differing information about the requirement for a picture of his passport held next to his face. He said some banks use other means to check their customer's ID, and Revolut didn't mention its requirement in its terms.

Mr N said Revolut hadn't confirmed that it had logged his complaint and as it knew he wouldn't be sending the photo it required, it should have offered to return his funds.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr N was unhappy that Revolut blocked his account and for its service afterwards. I've looked carefully at Revolut's decisions and handling of Mr N's account to see if it followed its procedures and treated him fairly.

From Revolut's terms and conditions it's clear it has the authority to review, block and close customer accounts. Revolut, in common with all banks, can take this action without giving their customer reasons.

Banks are required to check the identity of their customers and they have legal and regulatory obligations to follow. But it's up to each bank to decide how they comply with these requirements and Revolut is entitled to verify Mr N's identity with a picture of his passport held next to his face. I'm not aware of any restriction on this methodology from the Financial Conduct Authority, Revolut's regulator. The investigator described the role of the Financial Conduct Authority, and said that since Mr N's concerns were mostly about the regulations, he might like to make contact with the financial regulator.

I disagree with Mr N that Revolut's requirement for a picture of his passport held next to his face should be specifically stipulated in the terms of the agreement. I think this is adequately provided for by the term of the account which states: *"You agree to cooperate with all requests made by us [...] to identify or authenticate your identity."*

I'm sorry that Mr N feels that taking a picture of his passport held next to his face is demeaning, as opposed to a picture of himself, which he provided. Revolut has explained that by asking its customers to do this it can determine they're in possession of the ID documents, and that they're not presenting a copy. Had Mr N cooperated I think his account would have been unblocked straightaway. I agree with the investigator that Revolut made a reasonable request.

I can understand that Mr N being without his funds caused him hardship and difficulty in paying his rent. Mr N said Revolut should have offered to return his funds, but from the record of communications between the parties I think Revolut was attempting to resolve his issues rather than exiting the relationship. Once Mr N requested his funds, they were immediately returned to him.

I can see that Mr N felt uncertain about Revolut's complaint process. I don't think much inconvenience was caused by the time it took Mr N to log his complaint as there was little delay, and I don't think Revolut treated him unreasonably.

In conclusion, Revolut is allowed to review and close a customer's account, and may ask for further information to satisfy its verification process in the format that it did. I haven't seen that Revolut caused avoidable delays in its dealings with Mr N and it was clear about what he had to do to raise a complaint. I think Revolut has treated Mr N fairly in its decisions and handling of his account.

my final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 17 August 2019.

Andrew Fraser
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