

## Complaint

Mr G complains Revolut Ltd shouldn't have blocked his access to, and subsequently closed, the account he held with them. He says they didn't tell him their reasons for closing his account and failed to respond to his request for information. He thinks they should fully refund his membership fee and any interest they made on his funds while his account was blocked.

## Background

Mr G opened an account with Revolut in June 2017. He used the account regularly until June 2018 when it was blocked. On 2 July 2018 he contacted Revolut via their mobile chat application in order to reacquire access to his account. They responded the next day and said his account had been blocked and they needed to ask him some questions, which he answered.

Although Mr G answered Revolut's questions, he refused their request to send them a photo of a bank statement for the card he used to top up his account. Revolut told him they'd continue their review and would be in touch. Mr G chased them several times and on 23 July he was informed his account had been closed and his funds were being sent back to the account they came from.

Mr G asked Revolut to refund his membership fee in full and any interest they had made on his funds from the time they were frozen. He also asked for all the data they had in relation to him. Revolut responded on 27 July 2018 and told him they'd decided to refund five months' worth of his membership fee. Mr G wasn't satisfied by this and repeated he wanted a full refund of the fee and the interest. He repeated his request for data.

Mr G contacted Revolut on 25 February 2019, stating he still wanted a full refund of his membership fee and a refund of his travel insurance. He asked if he could open a new account, which Revolut refused, in addition to refusing his further requests for a refund.

Mr G complained to Revolut and said they'd failed to respond to his request for information. Revolut rejected his complaint. They said their account review was in line with their regulatory obligations and their terms and conditions, so Mr G brought his complaint to us.

An investigator at our service decided not to uphold Mr G's complaint. They found:

- Mr G was likely caused some difficulty when his funds were frozen, but Revolut's actions were reasonable when considering the legal and regulatory obligations they have.
- Revolut had the commercial discretion to end its relationship with Mr G and close his account. They'd correctly applied the terms of his account in closing his account immediately.
- Revolut had failed to handle Mr G's request for information as they should've, and they acknowledge this. They confirmed they would now comply with the request, but their failure hadn't impacted Mr G. He hadn't pursued his request after July 2018 until he contacted them again in February 2019. Neither does their failure mean they were wrong to block and close his account.

- Our role as a service isn't to punish firms or businesses. These kinds of actions fall within the remit of the regulator, the Financial Conduct Authority, who Mr G may wish to contact.

Mr G rejected the findings made by the investigator. He says Revolut closed thousands of customer accounts around the time they closed his, and they likely profited by holding on to those funds for the time they did. With no access to statements he says their former customers can't be sure they received their full balances back. He says it took him a year to verify his refund.

Mr G has asked for a final decision by an ombudsman, so the complaint has been passed to me to decide.

### **My findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, my review of the evidence has led me to the same overall conclusions as the investigator previously set out and for broadly the same reasons.

Revolut's decision to block and then close Mr G's account no doubt caused him inconvenience and would've likely been worrying for him. But the fact he experienced these difficulties doesn't mean Revolut were wrong to take the action they did.

Revolut has extensive legal and regulatory obligations they must meet when they provide account services to their customers, both new and existing. And to fulfil these responsibilities they sometimes need to review an account to understand more about the activity taking place on it. This includes asking questions and getting information in order to establish the origin of funds.

Revolut's obligations are ongoing and do not cease just because a customer may have provided information to them previously – I note Mr G told them he'd sent them a P60 in the past. If Revolut didn't review their customers' accounts, they could risk serious sanctions and penalties. I also see Revolut make it clear in their terms and conditions, which Mr G agreed to when he opened his account, that they can freeze his account to perform their obligations.

So, with the above in mind, I think it was reasonable for Revolut to ask Mr G for a photo of a statement in relation to the card he used to top up his accounts. And, as Mr G refused to provide this, I think it was reasonable for them to continue to prevent him accessing his account until they took the decision to close it. So, I won't be asking them to refund his full membership fee or the interest they may have received in relation to his account while it was blocked.

Revolut can decide not to continue its relationship with Mr G, in the same way he could've decided he no longer wished to transact with them. Their decision to do so is not something we would generally interfere with, as this would impinge on their freedom to decide who they want as a customer, which includes their existing customers.

I've considered why Revolut decided to close Mr G's account and I think they legitimately exercised the commercial discretion afforded to them. And I can't think of a compelling reason why they should continue to provide an account to Mr G when he refused to provide

them with the information they had asked for. And for this same reason I also think they were able to close his account immediately under the account's terms.

Mr G says Revolut profited from freezing the accounts of their former customers and they should be fined or punished. But I must make clear that my role is to look into the individual circumstances of Mr G's complaint. And in doing so, I don't think Revolut took an unreasonably long time to close his account or return his funds. Neither do I think their decision to return the funds to the account they came from is unfair. This is common practice in the banking industry.

Mr G can report his concerns about what he considers to be Revolut's practices to the FCA, as they are the regulator, and it's their responsibility to monitor the conduct of the firms they authorise and to decide whether to fine them where appropriate.

I think Revolut should've responded to Mr G's request for all the information they held on him when he made it, and this was a clear oversight on their part. But I've decided not to award Mr G any compensation for this, as I'm not persuaded he's suffered a substantive loss as a result of Revolut's failure.

I think it's telling Mr G only pursued his complaint in February 2019, over half a year after he made his original request. And I also agree with the investigator that their failure to comply with his request didn't mean their decision to freeze and close his account was unreasonable.

### **My final decision**

For the reasons I've explained above, I've decided not to uphold Mr G's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 January 2020.

Liam King  
**Ombudsman**