

complaint

Mr B complains about the poor service he received from Revolut Limited when his account was blocked and his funds withheld.

background

Initially Mr B complained about Revolut blocking access to funds in his account after he transferred £7,000 into it. The funds have now been returned to Mr B and he isn't concerned that Revolut closed his account. But he is unhappy about the service he received from them.

Mr B said it was very difficult to contact Revolut and a manager changed her mind about unblocking his account. He said his complaint was reviewed by an inexperienced member of staff and it was unfairly declined. He said Revolut kept his funds longer than necessary and paid it to his closed account despite his advice to the contrary. Mr B wants compensation and interest for his bad experience.

Revolut said it couldn't tell Mr B the reasons why it blocked his account as this was sensitive information. It said it follows its legal and regulatory responsibilities to review accounts and had treated him correctly.

The investigator said Revolut acted in line with its terms and conditions and its legal and regulatory obligations. But he said Revolut hadn't always responded to Mr B and wasn't clear in what it needed, but hadn't caused unnecessary delays. He said Revolut returned Mr B's funds to his closed account after Mr B had said it was closed and it should refund his financial loss in dealing with this and £100 compensation for its service failings.

Mr B disagreed saying we'd missed the point that Revolut didn't conduct checks when he opened his account, as required by law, and we hadn't followed legal principles. He said we'd failed to consider that his money had been frozen and the problems this caused him whilst abroad and he wanted to be properly compensated. Mr B requested an ombudsman review his complaint.

my findings

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

I've looked carefully at Revolut's handling and decisions about Mr B's account to see if it followed its procedures and treated him fairly. Having said this, banks have set procedures in place for monitoring accounts and they have legal and regulatory obligations to follow. Our role is to check whether Revolut followed the correct procedures, and where it hasn't we ask the business to put things right for the consumer.

Revolut said it conducted checks on Mr B's application for an account and acted under the terms and conditions of his account. I've seen Revolut's electronic checks on Mr B's account application and this appears to meet the requirements at the time. 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. That is disappointing for Mr B, but our service can't compel Revolut to explain its actions to him.

Mr B's transfer to his Revolut account breached the terms of the account. I can see from the records that Revolut advised Mr B his account was under review and responded to his complaint a week after the transfer. It agreed to refund his money a week after this – two weeks from when it blocked his account. To this point there was no delay, but by sending the money to Mr B's closed account Revolut caused an unnecessary delay of a short period.

Mr B said the investigator hadn't considered that his money was frozen and the impact this had upon him. The investigator did consider this and concluded that Mr B should have charges associated with retrieving the money refunded. He didn't award further compensation for this as he hadn't found that Revolut caused unnecessary delays, and neither have I in Revolut's conduct of its regulatory responsibilities.

I can well understand Mr B's frustration and stress at the time taken to return his money. Revolut made a mistake in allowing this to be refunded to a closed account when it held information about this, and some of its communications were poor. A short delay ensued and Mr B had to make further contacts to correct this problem. Revolut has apologised to Mr B for the inconvenience it caused, but I agree with the investigator that it would be fair for Revolut to reimburse Mr B for his financial costs in dealing with this, and £100 compensation for the impact its service failings had upon Mr B.

my final decision

For the reasons I have given it is my final decision that the complaint is upheld in part. I require Revolut Limited to pay Mr B any evidenced costs he incurred in obtaining the money Revolut paid into his closed account. I also require Revolut Limited to pay Mr B £100 compensation for the delays and frustration its poor service caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 July 2019.

Andrew Fraser
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