

Complaint

Mr Z complains that Revolut Ltd (Revolut) blocked and closed his account and returned the funds in the account to their original sources, rather than him.

To put things right, he wants Revolut to return his money to him.

Background

Mr Z opened an account with Revolut and used the account to buy and sell cryptocurrency.

On 16 January 2019, Revolut received notification from another bank that their customer had been the victim of a scam involving the purchase of bitcoins from Mr Z. Following this notification Revolut blocked and reviewed Mr Z's account. At the time Mr Z had a balance of 548.83 CHF.

After it completed its review, Revolut felt it was more than likely Mr Z was involved in fraudulent activity, so it returned the funds (including his closing balance) and a payment for 1,140 CHF which was paid into Mr Z's account on 9 January 2019, to their original sources, rather than releasing them to Mr Z. Following this Revolut closed Mr Z's account.

Mr Z complained, but Revolut maintained its position, so he brought his complaint to our service.

One of our investigator's looked into what had happened. And asked Mr Z for some more information about the activity on his account. Mr Z provided the investigator with screenshots showing sales of cryptocurrency, including the transaction on 9 January 2019. Mr Z said because of Revolut's actions he'd lost both his cryptocurrency which he'd sold to various traders, and the money he had expected in return for it.

The investigator looked at the information Mr Z had provided. He said Revolut hadn't done anything wrong by closing and reviewing Mr Z's account. But he didn't think Revolut had treated Mr Z fairly by returning his funds to source. He thought Revolut should return Mr Z's money to him, pay 8% simple interest on the balance, as well as £100 to compensate Mr Z for the trouble and upset he'd suffered.

Revolut disagreed. So, the matter has come 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.

Account review and closure

Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. Having looked at all the evidence, I'm satisfied that Revolut acted in accordance with these obligations when it blocked and reviewed Mr Z's account.

I then turn to Revolut's decision to close Mr Z's account. As the investigator explained, it's generally for banks to decide whether or not they want to provide, or to continue to provide,

banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed.

Under the terms of the account Mr Z held, Revolut are entitled to end the relationship. I can see that they notified Mr Z on their decision, so I can't say Revolut have done anything wrong.

Access to funds

Before Revolut releases funds held in a customer's account, it's entitled to carry out checks to ensure it's complying with its legal and regulatory obligations. And it will follow its internal procedures before they release funds.

With that said, Revolut hasn't provided a satisfactory explanation, supported by evidence, as to why it returned the money in Mr Z's account to the original sources, rather than releasing it to him. I accept there are times when it's appropriate for Revolut to return funds to their original sources. But in order to decide whether or not that is the case, I would need to see appropriate evidence to support such a decision.

While Revolut has explained its rationale to me, it hasn't been able to provide sufficient evidence to justify its actions. I understand that it had concerns about the way Mr Z was operating his account. But I've seen nothing to suggest the people who sent money to Mr Z's account had challenged the payments they made to him or requested their money back before Revolut returned them. I've also not seen any evidence that Mr Z procured the funds dishonestly or that he knew or believed that the funds paid into his account had been illegitimately procured by someone else in order to pay for the cryptocurrency sales.

Mr Z has provided the investigator with screenshots detailing each sale he made, including invoices, bank transfers and communications with each individual, which show Mr Z sold bitcoins. So, I'm satisfied sales did take place. I can't see that Revolut spoke to Mr Z about the activity on his account, asked him for information about the sales or carried out a thorough investigation to establish whether Mr Z had behaved fraudulently regarding the funds it returned to source. So, I'm not persuaded Revolut had sufficient evidence to justify depriving Mr Z of the funds in his account. If it did, it hasn't shared that evidence with our Service. Therefore, I can't see any reason for Revolut to return the money to the sources. It follows that I believe Revolut should refund Mr Z 1,688.83 CHF (the closing balance and 1,140 CHF transaction).

Revolut's actions caused Mr Z a great deal of worry and upset. He was left without his money and ignored the evidence he wanted to provide. So, along with refunding Mr Z the 1,688.83 CHF, I also believe an additional payment is warranted of £100 for the trouble and upset he's faced due to the removal of the funds.

My final decision

My final decision is that I partly uphold Mr Z's complaint against Revolut Ltd. To put things right Revolut Ltd must:

- Refund Mr Z 1,688.83 CHF
- Pay Mr Z simple interest at the rate of 8% on the 1,688.83 CHF from 9 April 2019

(the date the review was completed) until the date of payment.

- Pay an additional £100 for the trouble and upset caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 19 April 2021.

Sharon Kerrison
Ombudsman