

complaint

Mr T complains about the length of time it took for funds that he'd paid into his Revolut Ltd bank account to clear.

background

On the 30 April 2019 Mr T opened an account with Revolut. On 1 May 2019 he paid in £41,000. And on 3 May 2019 he asked for this to be converted into Euros which he intended to use to buy Bitcoin that day.

Revolut said it needed to verify the source of the funds. And they didn't clear until the 9 May 2019. Mr T then purchased his Bitcoin. But its value had increased, so he wasn't able to buy as much. Mr T feels that Revolut should compensate him £5,400 - the amount of profit he says he lost as a result. He says that as Revolut is an online banking service any checks it needed to make should have been done instantly. And there shouldn't have been any delay in him accessing his funds.

Revolut said it has certain policies and procedures in place to make sure it meets its legal and regulatory obligations. It apologised that when Mr T had contacted it on 7 May 2019 about the verification of his funds it hadn't responded immediately. But confirmed one of its agents had connected with him on 9 May 2019 to complete the review of his account, and his source of funds had been approved. It refunded him 3 months subscription to its premium services by way of apology for any inconvenience. But said that it couldn't be held liable for his losses.

Whilst discussing this complaint with our investigator Revolut offered to pay Mr T a further £100 compensation for any inconvenience caused by the length of time its verification process took.

Our investigator thought this was a fair way to resolve the complaint. He said it was reasonable Revolut had asked for information to verify the source of Mr T's funds. And he didn't think Mr T had provided it with all of the details it needed to do this initially. But he noted that Revolut hadn't passed the review process on to its support team straight away. And thought this had therefore taken a bit longer than necessary. Though he agreed it wouldn't be reasonable to ask Revolut to compensate Mr T for the loss of opportunity to purchase Bitcoin at a lower price.

Mr T disagrees with this view. He thinks Revolut already had the information it needed to carry out its checks. So the case 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. I know Mr T will be very disappointed, but I've reached the same conclusions as our investigator did. So I won't be asking Revolut to increase its offer of £100 compensation. I'll explain why.

I understand it was frustrating for Mr T that his funds weren't available immediately. But banks and other financial businesses have legal and regulatory obligations which mean they can't always guarantee when transactions are able to be made or that the funds in an account will be available at all times.

On 3 May 2019 Revolut asked to verify the source of Mr T's funds. I don't think this was unreasonable. Section 7 of its terms and conditions explain that this might be necessary. And there is also an entry about this on its website.

Mr T had provided Revolut with some identification when he opened his account a few days earlier. And he then sent it a further document. Revolut has explained this document was an unsigned copy of a sales agreement, and didn't meet its requirements to carry out the checks it needed to make. It's also told us that because of this it didn't start the process at this time.

Revolut's website says that to verify funds from the sale of a property –the source of Mr T's money here – it requires the following;

“a copy of the sale agreement for the property or a signed letter from the lawyer handling the sale of the property; a bank statement showing the proceeds of the sale being credited to your bank account, and a statement showing the funds being transferred to your bank account (unless the funds are due to be deposited directly into your Revolut account)”.

When Mr T spoke to a Revolut agent on 9 May 2019 he was asked for a copy of an identification document such as his passport, and a photograph of him holding this next to his face. The agent also requested a signed copy of the sales agreement, and a bank statement showing Mr T's name and the receipt of the sale proceeds. This was in line with the documents Revolut says it needs above. And it's shown us that its in-app chat bot provided Mr T with a link to the help page where this information was contained.

As the proceeds of the property sale were split between Mr T and his son, Revolut also asked for a bank statement showing the receipt of funds into his sons account, and a signed agreement verified by a solicitor. I don't think this was unreasonable.

Mr T says Revolut already had a copy of his passport. And that his son had an account with Revolut and had already supplied it with information to show that the money had come from the sale of a property. He says he and his son share a name and address, which, along with the fact it held copies of their passports, should have confirmed to Revolut that they were related. And so he feels it shouldn't have been a problem that he hadn't initially provided it with all of the information it requested.

I accept Revolut had verified Mr T's identity when he opened his account 10 days earlier. But I don't think it was unreasonable for it to do so again when dealing with such a large amount of money. And regardless of the relationship between the account holders, I wouldn't expect Revolut to look at details of an account belonging to a third party when carrying out a transfer or exchange of funds for a customer. So whilst I appreciate why Mr T feels Revolut ought to have known where his funds had come from, I don't think it's unreasonable that it asked him to supply further evidence of this.

However I do think it's reasonable that Mr T expected Revolut to notify him if there was a problem with the documents he initially provided. His account wasn't passed to the relevant team for review until 7 May 2019, after Mr T had tried to contact it a number of times to find out how long the verification process was going to take. In the meantime the message displayed to him in the app simply read *“Please bear with us while we review your documents”*.

Revolut has confirmed that normally one of its advisors would reach out to Mr T using the in-app chat to let him know that it needed more information before it could approve the source of his funds. But that the waiting time for this can vary according to the volume of requests.

I think under other circumstances, from what Revolut's told us, Mr T's funds might've been released a couple of days earlier than they were. And it's recognised this with an offer of compensation. But overall I still think they were made available in a reasonable timeframe. I don't agree that they would, or should, have been available on 3 May 2019. It would have taken some time for Revolut to assess that information was missing and request this from Mr T. And although it then carried out the checks for him over the in-app chat when he provided the documents it needed, it says this process normally takes 48 hours.

I appreciate it was frustrating for Mr T that Revolut didn't respond to his messages asking for updates on the process sooner. Revolut's explained that this was due to the high volume of requests it was getting at that time. And overall I think its offer of £100 compensation for the inconvenience caused by the delays he experienced is reasonable to take into account everything that happened here.

Mr T has told us he'd converted this money into Euros on 3 May 2019 with the intention of investing in Bitcoin that day. The funds weren't available until 9 May 2019. And during the interim period the value of Bitcoin increased. So he wasn't able to buy as much as he could've done on 3 May 2019. And wants Revolut to compensate him for the loss of profits he feels he suffered as a result.

Revolut has said that, as per section 24.6 of its terms and conditions, it can't be held liable for this loss. I agree Revolut makes it clear that it doesn't consider itself liable for consequential losses such as loss of profits or opportunity. I also agree with our investigator that it wouldn't be fair to ask it to pay Mr T the compensation he's seeking here. I accept he missed the valuation point at which he wanted to purchase the Bitcoin. And I understand why this was so disappointing and frustrating for him. But as I've said I don't think his funds would've been available at this time. And Bitcoin has a fluctuating value. This can decrease as well as increase. It was ultimately Mr T's own decision to go ahead and buy it at the time and price that he did.

my final decision

My final decision is that Revolut Ltd should pay Mr T £100 compensation to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 October 2019.

Jenette Lynch
ombudsman