

Complaint

Mr O complains about the time it took Revolut Ltd to return funds when they closed his account. He's also unhappy that when the funds were returned, certain fees had been deducted.

Background

In December 2018 Revolut carried out a review on Mr O's account. As part of the review, Revolut asked Mr O questions about the purpose of the account, and the nature of several incoming transfers from a third-party business account.

Mr O explained he purchased cars for family and friends abroad; so Revolut asked him for supporting evidence as part of their review. Mr O provided Revolut with some documentation including shipping confirmation and a picture of a vehicle registration booklet. Revolut remained unsatisfied, and therefore made the decision to indefinitely suspend Mr O's account under their terms and conditions. They confirmed they would send the money remaining in the account back to the original source – the third-party business account.

The money was sent back to the original account in January 2019. And when the money was received it was less than the total amount. This was because some transaction fees had been deducted. Mr O is unhappy about this – he doesn't think he should be liable to pay the transaction fees, and he thinks the transfer took too long (around a month).

The investigator who looked at Mr O's complaint thought Revolut had acted reasonably when carrying out their review. And while he appreciated Mr O was unhappy Revolut didn't think his supporting documentation was enough, the investigator explained we couldn't tell them what documentation they should accept. He also recognised the time it took for Revolut to send the money back, and the fact certain fees had been deducted from the amount. But the investigator said he couldn't fairly ask Revolut to compensate Mr O for the delays, because the money wasn't being sent to Mr O.

Mr O remained unhappy and asked for an ombudsman to review things.

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, I agree with the investigator for broadly the same reasons. I've explained further below.

I've considered Revolut's actions when reviewing and subsequently closing Mr O's account. Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. Based on what I've seen, I'm satisfied Revolut were acting in line with these obligations when reviewing, and subsequently closing, Mr O's account.

I'm aware Mr O is unhappy that Revolut didn't release the funds after Mr O sent them supporting evidence of the funds in question. I note Mr O says Revolut promised him they'd release the funds if they received this documentation. I've read through the online chat transcript between Mr O and Revolut and I haven't seen anything to confirm this. While I'm aware Mr O provided Revolut with documents, Revolut didn't think what he'd sent satisfied their review. So, Revolut decided to end their relationship with Mr O. I can't agree this was unreasonable as it's up to Revolut who they allow to have accounts.

I've reviewed what's happened in this case and I consider it's fair and reasonable Revolut took the action they did. And I'm pleased to see they referred Mr O to the section in their terms and conditions which allow them to end the relationship. So, while I appreciate Mr O is disappointed with Revolut's decision, I'm satisfied they acted reasonably and in line with the terms and conditions of the account. I also agree with their decision to return the funds in the account to the original source.

It appears to have taken just over a month from when Revolut made their decision to end the relationship, to when the third-party business account received the funds back. I've considered what Mr O said about the timing of this – it was Christmas and he'd recently got engaged, so it left him in a difficult position to not have his money. I've thought carefully about Mr O's point here, but I can't fairly agree that the delay had a direct impact on Mr O. I say that because the funds were transferred to another person's account – not Mr O's.

I'm aware Mr O says the money rightfully belonged to him but once the money had been received, the third party didn't transfer it to Mr O straight away. Mr O says the money was given to him in cash when the third party travelled to England in February 2019. And that was to avoid any further issues with different banks. I understand why Mr O wanted to avoid another bank transfer, however I can't agree the original delay put Mr O in a difficult position if he was willing to wait another month before he received the money in cash.

I've also considered the transaction fees which were deducted from the money. However, as the money was transferred to another party (not Mr O), then I can't agree that Mr O suffered this loss. And therefore, it would be unfair to ask Revolut to compensate him for this.

Overall, I recognise how strongly Mr O feels about what's happened, and I don't doubt it was a frustrating time. So, I realise Mr O will be disappointed by my decision. But overall, based on the evidence I've seen, I can't say Revolut have acted unreasonably and I can't agree any delays, or deduction of fees had a direct financial impact on Mr O. And that's because the source account didn't belong to him.

So, I'm not going to ask Revolut to do anything.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 24 May 2020.

Hayley West
ombudsman