

The complaint

Mr F complains that Revolut blocked and closed his account and returned his account balance to a third party. To put things right, he wants Revolut to pay him the account balance he held at the date his account was blocked.

What happened

On 9 August 2019, Revolut blocked Mr F's account, while it carried out a review. It asked Mr F a number of questions about his account, but didn't tell him why it had blocked the account. And said it couldn't give Mr F a timescales for when the review would be complete.

Mr F asked Revolut to release his money several times, but it declined to do so while the review was ongoing. So Mr F complained. On 11 September 2019, Revolut issued its final response to Mr F's complaint. It said it couldn't disclose the reason for the review because of security reasons, and that it needed more time to complete its investigation.

Mr F rejected Revolut's reply and brought his complaint to our service. On 4 December 2019, Revolut completed its review and wrote to Mr F to say it had closed his account and returned the balance to a third party, who had sent him the funds in the first place.

Our investigator looked at Mr F's complaint, but didn't think Revolut had acted unfairly. She noted that not all of the funds had come directly from the third party, but was satisfied that the money didn't belong to Mr F, so she didn't think Revolut should have to do anything to put matters right for Mr F.

Mr F didn't agree and asked for an ombudsman to review the matter afresh.

What I've decided – and why

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

Account block

All banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. That sometimes means they need to restrict customers' accounts while they carry out a review.

So, in order to make an award in favour of Mr F, I would need to be satisfied that Revolut acted unfairly or took action it wasn't entitled to take. And, having looked at the evidence, I'm satisfied that Revolut acted in line with its legal and regulatory obligations when it blocked Mr F's account. And that it was entitled to do so under the account terms and conditions that govern the relationship between Revolut and Mr F.

I understand Mr F was frustrated by the time Revolut took to complete its review. And I can see he chased them several times, using the in-app chat function. So I've looked at the

evidence Revolut has provided and I've thought about the actions it would have had to take during the review.

Having done so, I won't ask Revolut to compensate Mr F for the time the review took to complete. And I'm satisfied the time it took was not unreasonable, considering the extent of the investigation it needed to complete. I'm also satisfied Revolut was under no obligation to disclose the reasons for its review.

Account closure

A bank is entitled to close an account with a customer just as a customer may close an account with a bank. But before a bank closes an account, it must do so in a way which complies with the terms and conditions of the account.

The terms and conditions of the account – which both Revolut and Mr F had to comply with – allow it to close the account without notice in certain circumstances.

Having considered the evidence I've been provided, I'm satisfied that Revolut acted in accordance with its terms and conditions when it closed Mr F's account. So, I can't reasonably say Revolut treated Mr F unfairly by closing his account without notice.

Account balance

Before a bank 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.

After completing those checks, Revolut decided to send payments of £466.22 and £12.22 back to a third party. I've listened to what Revolut has said about why it returned the funds to source, and I've listened to what Mr F has said about why he's entitled to those funds. Having done so, I won't be asking Revolut to pay Mr F the money back.

This was a close decision and one that I've made on the balance of probabilities. I understand why Revolut had concerns about the way Mr F was operating his account. And it's the nature of its concerns and the evidence I've seen relating to the funds in Mr F's account and Mr F's use of his account that's persuaded me Revolut was entitled to return the funds to sender, rather than to Mr F.

I understand Mr F says the third party's account was also blocked, but that is a separate matter and something the third party will need to address. And given I've said Revolut was entitled to return the funds to a third party, it follows that Revolut isn't responsible to Mr F for recovery of funds it was entitled to revert.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 15 October 2021.

Alex Brooke-Smith
Ombudsman