

## **The complaint**

Mr S complains Revolut Ltd unfairly closed his account and failed to return the funds he held in the account. He wants to know why his account was closed and compensation for the financial loss and trouble he was caused by not having his funds

## **What happened**

I issued a provisional decision on Mr S' in early July 2021. In that decision I set out the background facts to the complaint. It's important I now repeat those same facts for the purposes of this final decision.

Mr S held an account with Revolut. In late 2019 he found his account was blocked. He contacted Revolut online and was told his account was under review and no further information could be provided. Revolut decided to terminate Mr S' account and said it would return the funds in his account to where they originated.

Mr S complained to Revolut. He wanted to know why his account was closed and complained he hadn't received his funds. Revolut rejected his complaint. It said it closed his account correctly and didn't need to give him its reasons.

Mr S referred his complaint to our service. An investigator considered his complaint and issued two views. In their first view they concluded:

- Revolut reviewed Mr S' account in line with its legal and regulatory obligations and it was able to block the account. It was entitled to close the account and didn't need to tell him why. It returned the funds in his account back to source, which was fair.
- Mr S was concerned about Revolut's processes, as well as that of the firm to who the funds were allegedly returned. But our service does not monitor the conduct of firms or set the processes firms should follow. That responsibility fell to the regulator, the Financial Conduct Authority. The investigator could only consider the service Mr S received from Revolut and the impact it had on him.
- Mr S disagreed with the investigator. He said he hadn't received the funds. The investigator contacted Revolut and Revolut discovered the funds had been returned back to it in June 2020.
- The investigator revisited the complaint and recommended Revolut pay £100 for the inconvenience Mr S was caused. Mr S didn't think this was enough compensation and highlighted the effort and time away from work he put into trying to resolve matters. He asked for a final decision from an ombudsman, so the complaint was passed to me to decide.

Since then, Revolut said there was an administrative issue between it and the account provider to who it tried to return the funds. As a result, it offered to pay Mr S directly the

balance it tried to return.

I issued a provisional decision and my findings were:

- The investigator was correct to conclude Revolut were able to block Mr S' account while it conducted a review. Revolut has extensive regulatory and legal obligations, and blocking the account was proportionate to ensure it complied with its responsibilities.
- I'm satisfied Revolut's reason(s) for blocking the account and trying to return the funds to source was understandable. I appreciate the frustration Mr S must feel. It's natural he wants to know exactly why Revolut took the actions it did. He wants to know if it's related to what he describes as the malicious targeting and defaming of him by certain individuals. But I haven't seen evidence to suggest Revolut's review was the result of being contacted by a third party. And I know of no legal obligation on Revolut to reveal its reason(s) to Mr S. So, I won't reveal those reason(s) by virtue of this complaint.
- Revolut could close Mr S' account. It had the discretion to terminate the account in the same way Mr S could have decided he didn't want Revolut as an account provider. I've considered the account terms and Revolut ought to have provided him with a longer notice period. But I can't see how its failure caused Mr S financial loss. Giving him longer to open an account elsewhere didn't mean Revolut's decision to try and return the funds to source was unreasonable. And I don't find this would have prevented the issue which caused his loss.
- Revolut took an unreasonable length of time to return Mr S' funds. It may have encountered problems with the account provider to who it sent the funds back, but this wasn't Mr S' fault. Revolut offered to pay Mr S the sum directly. But it should have done this some time ago. Revolut only realised there was a problem in January this year when our investigator questioned whether the funds were really returned to source. But it ought to have realised something was wrong when it received the funds back in June 2020. It should have contacted Mr S then to arrange payment.
- The investigator recommended £100 for the trouble Mr S experienced. But this doesn't make up for the length of time he has been waiting. Instead, I find £250 represents proportionate compensation for the concern and frustration Mr S no doubt felt.

Mr S may want more than this. But my role is not to award compensation based on a daily rate. Neither would I award compensation to punish Revolut for a mistake. The sum reflects what I find is appropriate. Mr S' limited income at the time meant the sum was significant to him but awarding a larger amount would be unreasonable considering the actual sum in question.

- Mr S says he couldn't send money to his children to buy presents over Christmas. And I was sorry to hear what happened. This must have been a challenging thing to have happened. But at that time, I don't find Revolut were wrong to try to send the funds back to source. I haven't seen incorrect account information was used; the same account details were used as the source account. And Revolut weren't on notice something might be wrong with that account before it sent the funds.
- I recommended Revolut refund Mr S the sum of money it tried to return to source and

add 8% simple interest per annum from the date it received the funds back from the other account provider in June 2020 until the time it pays Mr S. And I recommended it pay Mr S £250 to compensate him for the frustration he experienced by not having use of the funds from June 2020.

Revolut failed to respond to my provisional decision within the deadline I set. Mr S did respond. He says he should receive more in compensation. He says Revolut should have checked the account details were correct with the third-party account provider before attempting to return his funds. He would have received his funds earlier than June 2020 had Revolut done so.

Mr S also said my provisional decision did not consider the seriousness of Revolut requiring customers to rectify its own mistakes, which is tantamount to criminal conduct. It would be appropriate for Revolut to pay the costs he incurred trying to resolve the matter.

### **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.

I've decided to uphold Mr S' complaint for the same reasons I gave in my provisional decision, which I have repeated above and which form part of this final decision.

Mr S believes Revolut provided incorrect account details to his third-party account provider. But besides Mr S' own testimony, I haven't seen evidence to demonstrate this is the case. The fact funds didn't credit his third-party account doesn't mean Revolut used incorrect account details. And in the absence of more persuasive evidence, I find it more likely Revolut correctly reverted the payment using the account details it recorded when it received the payment. Indeed, Revolut says it doesn't enter account details manually to return the funds. They are simply sent back to the account from where they originated.

Revolut can, where appropriate, decide to return funds back to the source account from where they originated. But this doesn't mean it will always be reasonable to return funds to source depending on the circumstances of each individual customer. However, I find Revolut wouldn't have known there was going to be a problem with the receipt of funds to Mr S' other account, or that it was obliged to check whether the account details it held were still correct. So, I don't find it needed to do more than it did before returning the funds.

Mr S is concerned by Revolut's processes. But it is not my role to decide whether Revolut's processes are fit for purpose or to issue fines if they are not. That is the remit of the regulator. So, Mr S may wish to approach the regulator to express his wider concerns about Revolut's conduct.

I would also not look to make an award in order to deter or change Revolut's practices. My role instead is to consider the individual circumstances of the complaint before me and decide what is fair and reasonable compensation based on those circumstances and how they affected Mr S.

I am not awarding Mr S further compensation than what I recommended in my provisional decision. I haven't seen the problems Mr S experienced with his third-party account provider were the responsibility of Revolut or that Revolut erred in the way Mr S claims it did when sending the funds back to the provider.

I find Revolut ought to have contacted Mr S in June 2020 once it became clear he would not be able to access his funds through the third-party account provider. But I don't find Revolut should pay redress based on the daily rate Mr suggested. I don't find that would be fair or proportionate, and I note Mr S hasn't been able to evidence his costs. Mr S may have spent considerable time trying to resolve the matter with his third-party account provider. But this is not something for which I am holding Revolut accountable.

### **Putting things right**

I direct Revolut Ltd to:

- Refund Mr S the sum of money it tried to return to source and add 8% simple interest per annum from the date it received the funds back from the other account holder in June 2020 until the time it pays Mr S.
- Pay Mr S £250 to compensate Mr S for the frustration he experienced by not having use of the funds from June 2020

### **My final decision**

I have decided to uphold Mr S' complaint and I require Revolut Ltd to pay him redress according to the direction I have given above, no later than 28 days after Mr S accepts this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 18 August 2021.

Liam King  
**Ombudsman**