

The complaint

Mr R complains that Revolut Limited (Revolut) blocked and closed his bank account, then returned the funds in the account to the original sources, rather than releasing them to him.

Mr R brings his complaint on behalf of his business, R Limited.

What happened

On 20 September 2019, Revolut blocked Mr R's account, while it undertook a review. It didn't tell Mr R about the block or the review, and it didn't tell him why it had taken those actions when Mr R found out about them and asked. Revolut completed its review on 30 October 2019. It wrote to Mr R, telling him it had closed his account and returned the funds in his account to their original sources.

Mr R complained. He said he couldn't pay his suppliers and he hadn't been able to recover £256 of the money Revolut had returned. Revolut rejected his complaint and said it couldn't disclose any details about the review. Mr R remained unhappy, so he brought his complaint to our service.

Our investigator felt Revolut hadn't done anything wrong in blocking and closing Mr R's account. And that it was entitled to return the funds to their original sources.

Mr R didn't agree, so he 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 R, I would need to be satisfied that Revolut acted outside of its obligations or treated him unfairly. But, having looked at the evidence, I'm satisfied that Revolut acted in line with its legal and regulatory obligations when it blocked Mr R's account. And that it was entitled to do so under the account terms and conditions that govern the relationship between Revolut and Mr R.

I've also reviewed the timeline to see if Revolut acted promptly or caused any unnecessary delays. I can see from the chat history that Mr R was unhappy with the vague responses he got from Revolut. And that he was frustrated with the time Revolut took to complete its review. But Revolut wasn't under a duty to disclose any details. And, having reviewed the action it took, I'm satisfied it acted reasonably promptly in completing its investigation in light of the information it had to consider.

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 that account.

The terms and conditions of the account in question – with which both Revolut and Mr R had to comply – say Revolut can close an account immediately and without notice, under certain circumstances.

I've looked at the evidence Revolut has provided me to explain why it closed Mr R's account. And I've thought about how that sits against the terms of the account. Having done so, I'm satisfied it was entitled to close Mr R's account in the manner it did.

Account funds

The final issue for me to address is the funds Revolut returned from Mr R's account, to the original sources. Mr R says he had to borrow money to cover costs he would have covered with the funds in his account. And that he hasn't been able to recover £256 of the sums Revolut returned. But I've had to weigh that against Revolut's rights and obligations in relation to the funds.

So, I've looked at the evidence Revolut sent our service to justify its decision to return the funds to sender, instead of to Mr R. And I've thought about what Mr R has said about what he would have liked Revolut to do. Having considered all of the evidence supplied by both parties, I don't think Revolut acted unfairly when it returned the funds to their original source. Based on the evidence Revolut has shown our service, I'm satisfied it acted reasonably in declining to return the funds to Mr R.

It follows that I don't uphold this complaint, and that I won't ask Revolut to compensate Mr R.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 9 June 2021.

Alex Brooke-Smith
Ombudsman