

The complaint

Mr B is unhappy that Revolut Ltd blocked and closed his account and converted the cryptocurrency in his various wallets without his permission; returning the proceeds to him and a third party.

What happened

Revolut blocked Mr B's account on 27 December 2019 in order to undertake a review. At the time Mr B held three different cryptocurrency wallets, as well as a balance of £216.61. Following the block Revolut asked Mr B to provide some information to help with its review, which he did.

The account remained blocked though and Mr B chased Revolut for updates through the chat service. Unhappy with the lack of clear response and the fact his account was still blocked, Mr B complained to Revolut in January 2020. He received a final response on 21 January 2020. In this response Revolut explained that in order to protect customers and their accounts it sometimes has to carry out reviews. It let Mr B know his account would remain under review at that time and it couldn't provide any further details or timescales. It assured him he would receive a response once the process was complete.

On 27 January 2020 Revolut exchanged Mr B's cryptocurrency into GBP (£) and sent some of the proceeds of this back to source – this was an account in the name of someone I'll refer to as P. The rest of the proceeds of the exchange remained in Mr B's account as Revolut has said the review was still ongoing.

Mr B was unaware this had happened and continued to chase Revolut for updates, as well as raising his complaint with this service.

By 12 February 2020 the review was complete. Revolut let Mr B know his account was to be closed immediately. It sent him a statement and clarified that his cryptocurrency had been converted on 27 January 2020 and the money had been returned to the source accounts – this being P's account and Mr B's top up card.

Mr B emailed Revolut on 13 February 2020 letting it know he was unhappy it had exchanged his cryptocurrency without his permission and sent some of this back to P on 27 January 2020, despite it continuously telling him his account was still under review and the money frozen. He said it exchanged his cryptocurrency at the time when the rate was the cheapest and most beneficial to Revolut.

Revolut responded on 25 February 2020 to say that the cryptocurrency exchange took place when the investigation from the concerned team was finished (this being 27 January 2020) and had nothing to do with what the rate was at that time. It said it had returned the money to source as per its internal procedure and couldn't disclose any more details.

Mr B has pointed out that in this email Revolut confirmed its investigation was complete on 27 January 2020, yet it didn't return the rest of the money to him until 12 February 2020. He says this delay prevented him from reinvesting this money sooner, causing him more than a

£2,000 loss. Mr B explained that it took him until June 2020 to get the other money back from P, therefore causing him further losses and inconvenience.

There also appears to have been some confusion in the email exchanges between Mr B and Revolut, where Mr B believes Revolut indicated his top up card was linked to P. This isn't the case, the money was returned to P's account and Mr B's top up card – these being two separate accounts.

In summary, Mr B complains that Revolut blocked his account for as long as it did, converted his cryptocurrency without his permission and then delayed sending this all back to him directly on 27 January 2020. He says is aware regulations exist that allow Revolut to freeze an account for 35 days. But it doesn't mean Revolut can use this to manipulate customers until they give up, and then do as it pleases with the money to suit its own purposes. He says Revolut should compensate him for the losses he's suffered, totalling £2,130.44, as a result of it constantly breaking financial laws and procedures.

Our investigator reviewed the complaint. She concluded that Revolut was entitled to block and review Mr B's account, and ultimately close it. She was satisfied Revolut hadn't caused any delays and despite what Revolut's email on 25 February 2020 said, whilst part of the review had been completed on 27 January 2020, enabling the exchange of the cryptocurrency and return of some of the money to P, the overall review was still ongoing. Therefore, Revolut hadn't made a mistake in not returning the rest of the money to Mr B until 12 February 2020. She also concluded that Revolut was adhering to its legal and regulatory obligations when converting the cryptocurrency and returning some of the money to P. Therefore, she wasn't able to conclude Revolut had made an error and didn't uphold the complaint.

Mr B disagreed. He referenced other customers who had suffered the same treatment from Revolut, with it keeping hold of their money for 6 to 12 months and returning it to third parties. He asked which UK law allows Revolut to do this and maintained that, having spoken to a solicitor, it has no authority in law to do so. He also continued to dispute that the investigation was ongoing after 27 January 2020 when Revolut exchanged his cryptocurrency and sent some of this money to P. He says Revolut wouldn't transfer this money to P without the investigation being completed. Therefore, through this delay and sending some of the money to P, Revolut had caused him a loss.

Our investigator let Mr B know that there are various UK primary and secondary laws, as well as regulations set by the industry regulator (the Financial Conduct Authority) and that he could find out more through his own research. And because Mr B disagreed, she arranged for the complaint to be passed to me to decide.

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.

Revolut has a wide range of legal and regulatory obligations it must meet when providing account services to its customers. As our investigator explained, Mr B can conduct his own research into these. These obligations are ongoing so don't just apply at account opening stage. To comply with these obligations, it may need to review accounts and the activity taking place on them. Sometimes these reviews will lead to the accounts being blocked and closed. If Revolut didn't do this, it could risk serious sanction.

With this in mind, I'm satisfied Revolut was within its rights to block Mr B's account and

carry out a review. It was also entitled to close his account. It did so in line with its legal and regulatory obligations and, having reviewed the terms and conditions, it did so in line with these too. Revolut has the discretion to offer accounts to who it wishes, just as Mr B can choose who to bank with.

Mr B has explained how he was impacted by the block, so I've looked at whether Revolut could've acted any quicker than it did or done anything differently, including exchanging his cryptocurrency and returning some of this money to P.

In order to comply with its legal and regulatory obligations reviews can take varying degrees of time. And having looked at what happened in Mr B's case, I'm satisfied Revolut completed its review within a timely manner and without any undue delays.

Following the email Revolut sent him on 25 February 2020, Mr B believes Revolut's investigation was complete by 27 January 2020 when it exchanged his cryptocurrency and sent some of this to P. I can understand the confusion here given how the email was worded. However, from what I've seen, I'm happy the review was still ongoing at this stage. It is true that part of the review was completed at that point, which led Revolut to exchange the cryptocurrency and return some of this money to P. However, the overall review continued until 12 February 2020. At that point Revolut returned the remaining money to Mr B. Therefore, Revolut didn't make an error or delay the transfer of the rest of the money to Mr B.

Revolut was entitled to convert the cryptocurrency on 27 January 2020 and I've seen nothing to suggest it did so to deliberately disadvantage Mr B due to the rate at the time. It was also entitled to return some of the funds to P's account, given this is where it had originally come from. It completed both the conversion and return of the funds in line with its legal and regulatory obligations.

So, whilst I appreciate Mr B's strength of feeling on this matter and the fact he may have been impacted by Revolut's actions, I'm unable to conclude it did anything wrong in how it handled the review of Mr B's account. I therefore won't be recommending Revolut do anything to compensate him.

My final decision

My final decision is that I don't uphold Mr B's complaint against Revolut Ltd.

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

Sarah Brimacombe
Ombudsman