

The complaint

Mr H complains Revolut Ltd (“Revolut”) unfairly restricted and later closed his account. And it returned his funds to source, and not back to him.

To put things right, Mr H wants his account reinstated, an apology from Revolut, his money returned, and compensation for damages.

What happened

On 1 October 2019, Revolut blocked Mr H’s account and messaged him about what it had done. Mr H contacted Revolut via its online chat service.

Revolut explained it was in the process of reviewing Mr H’s account and it would give him further information when it had completed the review.

Mr H continued to chase the matter up with Revolut via its chat service. Revolut continued to explain it was reviewing Mr H’s account and was doing so to adhere with its regulatory obligations.

Revolut said it could not give Mr H a specific time frame when this would be completed. Later, Revolut required specific information about certain payments into Mr H’s account.

Mr H said these were made to him by his flatmate for rent. Mr H couldn’t give Revolut all the information it had asked for. Mr H continued to chase Revolut for an answer using the chat facility on a regular, often daily basis.

Mr H also complained to Revolut about this matter. In its response, Revolut said its systems had flagged activity on Mr H’s account which led to the review. Unhappy with Revolut’s answer to his complaint, Mr H referred his complaint to this service.

On 15 November 2019, following a review of his account Revolut informed Mr H his account will be closed. Mr H was also told all remaining funds will be returned to source. Mr H was not happy with this.

One of our investigator’s then looked into the matter, and in summary they said:

- Revolut has procedures in place for monitoring accounts and it has legal and regulatory obligations it must follow. And Revolut was permitted to carry out a review of Mr H’s account and restrict access to it while it did this.
- Revolut were entitled to close Mr H’s account in the same way he can end his customer relationship with it. And in doing so, Revolut followed its processes and the terms and conditions of the account.
- Revolut acted in line with any legal and regulatory obligations placed on it when returning the funds. Mr H would now need to contact the sender of the funds if he wants them back.

Unhappy with what our investigator said, in summary, Mr H made the following points:

- He did provide proof of his funds, and his rental agreement, but Revolut were being difficult
- Revolut's staff gave him contrary information and its communication was poor.
- Mr H's flatmate did receive the returned funds from Revolut, but he now won't pay him back
- Revolut's actions are criminal, and it has stolen his money

Another of our investigator's reiterated what the previous investigator had said. Unhappy with this, Mr H asked for the matter to be passed to an ombudsman 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.

And having done that, I've decided not to uphold this complaint. I know this will disappoint Mr H, so I'll explain why.

Account restrictions

The investigator was right to point out Revolut has important legal and regulatory obligations it must meet when providing accounts to customers. These obligations are ongoing, so do not only pertain to when an account is opened.

To comply with its obligations Revolut may need to review an account and/or restrict its customer's access. If Revolut didn't comply with its obligations it could risk serious sanction. In order to meet these requirements Revolut is entitled to ask a customer for more information about how they use their account, including payments which are made into an account.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Revolut to block Mr H's account and ask him for information relating to activity on his account. So, whilst I accept this matter would have caused Mr H inconvenience, I can't say Revolut treated him unfairly when it blocked his account - and asked him to provide information.

Revolut's requests for information

Mr H is clearly dissatisfied with the information Revolut asked him to provide as part of its review. Having looked through the online chat record, I note Mr H finds Revolut's request to be onerous and unreasonable.

Having closely reviewed the evidence I have been sent, I'm persuaded Revolut's requests were not unreasonable nor that it placed an unfair burden on Mr H. Revolut wanted to see specific proof of entitlement in the form of bank statements, bank transfer documents and a full rental agreement which would validate what Mr H was telling it about certain funds he'd received.

Mr H couldn't do this, saying he couldn't get other people's documents and then saying his flatmate had refused. Mr H had initially said his wife's and his flatmates' account were the

same and they shared a sim card, and that the rental agreement was only verbal – but later provided a paper rental agreement albeit incomplete.

So, given the inconsistencies, I think Revolut had valid concerns leading it to ask Mr H for the information it did as part of its review. And, importantly, as I've already said, Revolut has important regulatory and legal obligations to meet.

So, I don't think Revolut has done anything wrong by asking for the type of information it has from Mr H.

Account closure

Banks sometimes choose to end their relationship with customers. This can be due to a number of reasons, and a bank isn't obliged to give a reason to the customer. Just the same as if Mr H decided to stop banking with Revolut, he wouldn't have to explain why.

Revolut can only close accounts in certain circumstances and if it is in the terms and conditions of the account. Revolut have relied on the terms and conditions when closing Mr H's account. This service won't generally intervene in a bank's commercial discretion.

Revolut exercised their right to no longer offer Mr H banking facilities and I've seen nothing to suggest that Revolut has made an unfair decision. So, I can't fairly ask them to do anything differently.

The return of funds

Revolut are entitled to return any remaining funds in an account to the original source. This ensures the funds are sent back to the correct person. That's especially relevant in Mr H's case as he couldn't provide Revolut with the documentation it asked for when reviewing his account.

Overall, I recognise how strongly Mr H feels about what's happened, and I don't doubt it was a difficult and worrying time. But, based on the evidence I've seen, I can't say Revolut have acted unreasonably. So, I'm not going to ask Revolut to do anything.

Lastly, Mr H says his flatmate won't pay him back. But that's a dispute between the two of them. Nor is it a dispute I have any power to determine.

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 H to accept or reject my decision before 13 August 2021.

Ombudsman