

## The complaint

Miss G complains that Revolut Ltd restricted access to her account, and sent her funds to a third party. She'd like her money returned and compensation for the impact caused.

## What happened

Miss G had an account with Revolut.

On the 24 May 2019 Revolut restricted Miss G's access to her account. Soon after the block Miss G made contact with Revolut to find out why her account was restricted.

Revolut explained to Miss G they were reviewing her account, but didn't explain why, ask for any documentation or provide Miss G with a likely timescale on when the review would be completed.

On the 18 August 2019, after completing their review, Revolut closed Miss G's account and explained they'd returned her funds to source.

Miss G complained to Revolut, but they didn't uphold her complaint. She explained they'd sent her salary from her account and as a consequence she couldn't pay her rent. Revolut didn't uphold Miss G's complaint – they explained they'd followed the terms and conditions of Miss G's account and acted fairly in returning her funds to source.

Miss G wasn't happy with Revolut's response so complained to our service.

One of our investigator's looked into Miss G's complaint. Our investigator asked Revolut to explain why they'd returned her funds to a different source and Miss G to provide proof of entitlement for the disputed funds. Miss G provided a pay slip showing that the funds in her account came from her employment. Our investigator thought that Revolut had acted within the terms and conditions of Miss G's account when restricting and closing it. But, hadn't acted fairly in sending Miss G's funds to a third party and were satisfied that the evidence Miss G had provided showed she was entitled to the funds. She recommended that Revolut pay Miss G the balance on her account at the time of closing and £100 in compensation.

Revolut didn't accept our investigator's view.

In response they argued that they'd acted within the relevant regulations by returning Miss G's funds to source. However, they agreed to pay Miss G £100 in compensation for the distress caused to her.

Miss G also asked what happened to the £60 transfer which took place whilst her account was restricted, and she'd like this looked into.

Because Revolut didn't accept our investigator's view the complaint was passed to me for a decision. On reviewing Miss G's complaint I came to a slightly different decision. And I recommended that Revolut return Miss G's funds plus 8% interest and pay £200 compensation. I asked both parties to reply by the 13 July 2021.

Miss G accepted my recommendation. But Revolut didn't reply. So I've proceeded to review my provisional decision.

### **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.

Having done so I've not changed the conclusion I've reached in my provisional decision.

In my provisional decision I said:

#### *Account restriction and closure:*

*Revolut restricted Miss G's account on the 24 May 2019, following notification from the sending bank regarding the receipt of fraudulent funds. Revolut completed their review and closed Miss G's account on the 18 August 2019. I've looked at the terms and conditions of Miss G's account, and I'm satisfied that Revolut are entitled to restrict Miss G's access:*

*27.7. We reserve the right to change, suspend or discontinue any aspect of the Revolut Services at any time, including hours of operation or availability of the Revolut Services or any Revolut Services feature, without notice and without liability.*

*However, I've also considered whether the length of time Revolut restricted Miss G's account for was reasonable. The bank's not provided any evidence to explain the length of time the account was restricted for – and there's no indication that the bank asked Miss G for any proof of entitlement for the funds in her account at the time of the restriction. On considering this I'm satisfied that Miss G's account restriction should have been completed within a much shorter time frame and no longer than 14 days.*

#### *Account funds*

*On the 18 August 2019 Miss G's account was closed, but her funds weren't returned. Revolut have argued that they acted within the relevant regulations – and returned Miss G's funds to source. I'm surprised that Revolut didn't ask Miss G at any point to provide proof of her entitlement to her funds – which is something I'd have expected them to do. On picking up Miss G's case our investigator asked Miss G for proof of entitlement for the funds – and Miss G explained that the vast majority of the funds were her salary, which was paid to her after the account was restricted. I've seen a payslip provided by Miss G which shows she was due to be paid almost £1,300 on the 5 June 2019. Revolut haven't provided any further information to indicate why they think Miss G isn't entitled the funds. They also argued that the funds – which were from Miss G's employer – were returned to source. However, from the evidence Revolut have provided I can see this isn't the case. And in fact the funds were sent to a third party's account.*

*I've also considered the level of service Miss G was provided with whilst her account was restricted. As I previously mentioned I've not seen any evidence that Revolut asked Miss G to provide any proof of entitlement for the funds in her account – or gave her any indication of how long her account might be restricted for. I think, along with incorrectly sending Miss G's funds to a third party, this caused Miss G some inconvenience. Miss G has explained to our service that she was unable to pay her rent and was concerned about being evicted. For this reason I think a small compensation payment should be made.*

*Miss G responded to our investigator's view by questioning a £60 transaction which took place whilst her account was restricted. I've looked at Miss G's account statements and I'm*

*satisfied that although it appears £60 was transferred out of her account, her account balance wasn't reduced. And the funds sent to the third party on the 18 August 2019 included the £60 credit.*

*Response to my provisional decision:*

As I detailed above Miss G accepted my provisional decision and Revolut didn't reply. Based on this I see no reason to change the conclusion I reached in my provisional decision.

### **Putting things right**

I direct Revolut Ltd to:

- Refund Miss G £1,348.03
- Pay 8% interest from the 7 June 2019 to the date the funds are returned
- Pay Miss G £200 compensation for the inconvenience caused

### **My final decision**

My final decision is I uphold Miss G's complaint and direct Revolut Ltd to carry out the redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 1 September 2021.

Jeff Burch  
**Ombudsman**