

The complaint

Mr P complains that Revolut Ltd blocked his account and held on to his funds. Mr P would like an explanation and his money back.

What happened

Mr P had an account with Revolut. Which he signed up for in November 2018. He used the account for travelling.

On 22 March 2019 Revolut carried out a review of Mr P's account and as a result his account was blocked without notice. Mr P says he had about £350 in his account and hasn't had access to the money in the account since then.

Mr P complained to Revolut.

Revolut said that Mr P's account was under review and that they were entitled to carry out reviews of accounts. They also said they couldn't disclose any details of the reasons for the review.

On 16 August 2019 following their review Revolut closed Mr P's account and returned the funds in the account to source.

Mr P was unhappy with their response, so he complained to our service.

One of our investigators looked into the complaint she said that Revolut hadn't done anything wrong when they reviewed Mr P's account so she wouldn't be asking them to pay compensation. She thought Revolut was able to return funds to source and they had refunded Mr P any account fees that had been charged whilst the account was being reviewed. She thought Revolut had acted fairly.

Mr P was unhappy with the view he said he didn't think Revolut were entitled to return his funds to source. He also wanted to know the reasons why Revolut reviewed his account. He also said he never received any notice from Revolut that his account would close. Mr P provided the investigator with evidence of his bitcoin transactions from his Revolut account.

Our investigator issues a second view she said she thought Revolut had delayed in reviewing Mr P's account, but she didn't think this had an impact on Mr P because the outcome of the review would have been the same.

She considered if Revolut had done anything wrong when they returned the funds to source and she thought that as this was a process that Revolut could follow they had done nothing wrong when it returned the funds to source following the closure of the account.

Mr P has calculated his losses to be £8,150. These include time lost £1,200 trouble and upset £2,000 and £4,950 for being unable to use facilities of the card during a holiday

Mr P said he was about to invest in bitcoin and as a result of his account being blocked, he was unable to do so. He estimates his loss to be in the region of £350.

Mr P says he lost the opportunity to use the card and the services that it offers, and he was about to go on holiday to the USA. He didn't receive any answers about the block on his account and he wasted about three hours a day for 12 days trying to solve the problem.

Mr P would like his account reinstated and compensation. Following on from the two views Mr P said he wanted to know if Revolut were entitled to return funds to source as he didn't think the terms and conditions allowed them to do so.

As there was no agreement the matter has come 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.

Account review and closure

Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. Having looked at all the evidence, I'm satisfied that Revolut acted in accordance with these obligations when it blocked and reviewed Mr P's account.

I then turn to Revolut's decision to close Mr P's account. As the investigator explained, it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

Under the terms of the account Mr P held, Revolut are entitled to end the relationship. I can see that they notified Mr P of their decision, so I can't say Revolut have done anything wrong.

Mr P has said he wants to know why his account was blocked and closed. I appreciate that Mr P may've expected to be given the reasons for the block and closure, Revolut isn't required to give him a specific reason for closing the account. So, I can't say Revolut has done anything wrong by not giving Mr P this information – as much as he'd like to know.

Access to funds

Before Revolut releases funds held in a customer's account, it's entitled to carry out checks to ensure it's complying with its legal and regulatory obligations. And it will follow its internal procedures before they release funds.

Mr P has said he can't see anything in the terms and conditions of the account that allow Revolut to return the funds to source.

I appreciate that Mr P is concerned about this and he thinks that Revolut are in breach of contract because the terms don't mention returning funds to source. However, Revolut as a regulated business has extensive obligations placed on it by UK legislation. Financial

institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations.

I have looked at the evidence provided by Revolut and I can see why they had concerns about the source of the funds. Our service has asked Mr P to show he had a legitimate claim to the funds. Although he has provided some evidence, I'm not satisfied that the information he has provided shows his entitlement to the funds. It follows I am satisfied Revolut were complying with their obligations when they returned funds to source.

Mr P has outlined his losses and has requested compensation. I appreciate that having his account blocked and then closed has been stressful for Mr P however, as I don't think that Revolut have done anything wrong it follows I will not be asking them to pay compensation to Mr P.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 October 2021.

Esperanza Fuentes
Ombudsman