

## **The complaint**

F, a limited company complains that Revolut Ltd, unfairly blocked its accounts, which led to difficulties paying money in and out of its business accounts. F would like to be compensated for the financial loss and inconvenience it suffered.

F is represented in its complaint by its director, Mr T.

## **What happened**

The events that took place are well known to both parties and aren't in dispute. So, I'll only describe them here briefly.

F had two accounts with Revolut. In July 2022, Revolut reviewed F's accounts. Whilst it reviewed F's accounts it placed a block on its accounts. The type of block applied meant all transactions were blocked – including faster payments.

In August 2022, Revolut were notified that a court freezing order had been taken out against F that restricted the operation of F's Revolut accounts. Revolut complied with the freezing order.

F provided information to the police and court about the source of funds in its Revolut accounts. Following a review of this information, on 26 September 2022, the court set aside the freezing order. Revolut were informed on 28 September 2022, that it could unblock F's accounts, which it did on 29 September 2022.

Mr T complained to Revolut about the block of F's accounts. He said that he could have provided full explanations for the source of the funds in the account, which had been from the sale of properties – in other words all the money in the accounts was legitimate. Mr T said that Revolut had unfairly used an algorithm to block F's accounts and could have simply asked him to provide information about the source of funds, which would have prevented the accounts being blocked.

Mr T says the block on F's accounts meant direct debits went unpaid, which caused financial embarrassment and a property development overseas was delayed. He's also said that F had to pay legal costs in relation to the freezing order, which could have been avoided if Revolut completed its due diligence properly on the way F was operating its accounts. Overall, he said that the whole experience was mentally draining and exhausting. So, he wants Revolut to pay F compensation.

Revolut said it hadn't done anything wrong in complying with the court order. But it accepted it had caused some delays in its review. It apologised and offered F £100 compensation. Unhappy with this response, F brought its complaint to our service where one of our investigators looked into what had happened.

The investigator accepted that the restrictions on F's accounts caused F difficulty in making and accepting payments. But they said Revolut hadn't done anything wrong when it had

blocked F's accounts and had done so in order to comply with its legal and regulatory obligations. And the freezing order issued by the court against F. The investigator also said that once the order had been discharged, Revolut released F's funds promptly. So, the investigator didn't uphold F's complaint.

Mr T, disagreed. He said Revolut could easily have asked him for information about the money in F's accounts and he would have provided a full explanation. But he wasn't asked. Instead, he says, Revolut based its actions on computer algorithms and treated F unfairly when it blocked its accounts.

As no agreement could be reached 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.

As the investigator has already explained, Revolut has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. Having reviewed all the evidence I'm satisfied that Revolut were acting in line with its legal and regulatory obligations when it restricted F's accounts in July 2022. I understand not having access to F's accounts caused F inconvenience, but it wouldn't be appropriate for me to award F compensation since I don't believe Revolut acted inappropriately in taking the actions that it did when it blocked F's accounts.

Revolut continued to block F's accounts after it received a freezing order from the court. I acknowledge Mr T's comments that Revolut could have asked him for an explanation about the activity on F's accounts and source of funds. And that he has incurred legal costs trying to sort things out with the court. But Revolut owed a duty to the court to ensure the freezing order wasn't breached. I should also explain that this service has no power to review or vary an order made by the courts.

Having looked at the freezing order and reviewed all the evidence, in the circumstances, I'm satisfied that the decision for Revolut to continue to block F's accounts was a reasonable one. The terms of F's accounts also allow Revolut to block accounts. If Mr T feels the freezing order shouldn't have been made, then he needs to take that up with the police and court. Once it was made clear to Revolut that the freezing order had been discharged it removed the block from F's accounts and released the funds. I'm satisfied it did this promptly and there were no undue delays. So, I cannot conclude that Revolut treated F unfairly when it blocked its accounts. And whilst I appreciate F was caused inconvenience by the blocks to its accounts, I won't be awarding F compensation.

Finally, I note that Revolut accepted it should have provided better service to F when it initially blocked its accounts. It has said that it could have done things quicker. Revolut has apologised for the delays and offered F £100 compensation. Having looked at the circumstances, I think this is fair and reasonable and I won't be asking Revolut to do anything more to resolve F's complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 6 November 2023.

Sharon Kerrison  
**Ombudsman**