

The complaint

Mr C complains that Revolut Ltd unfairly blocked his account. He says this caused him financial problems and he wants compensation.

What happened

Mr C had an account with Revolut.

In July 2022, Revolut carried out a review on Mr C's account. Whilst it completed the review Revolut blocked Mr C's account, which meant he wasn't able to use the account or access any funds held in it.

As part of its review, Revolut asked Mr C to provide information about another account he held and proof of his salary. Mr C provided this on 14 July 2022. The account was blocked from 13 – 25 July 2022.

Mr C says the block to his account was inconvenient and meant he wasn't able to cover the cost of travelling to work. He says the knock on effect of not being able to access the funds in his account meant he lost out on wages, missed loan and credit card repayments, and didn't have enough money to buy food. He also says that when he contacted Revolut about what was happening with his account Revolut wouldn't give him any information, which he found frustrating and time consuming. So, he said Revolut should pay him compensation.

Mr C complained to Revolut. In response, it said it hadn't done anything wrong when it had decided to block Mr C's account. But it accepted its service fell short and offered Mr C £75 compensation as a gesture of goodwill. Mr C wasn't happy with this response and brought his complaint to our service. He said the compensation Revolut offered doesn't adequately reflect the amount of trouble, upset and financial losses he suffered.

One of our investigators reviewed the complaint. Based on the evidence, he didn't think it was unreasonable for Revolut to block Mr C's account. However, he said Revolut took too long to complete its review and could've done things much quicker. So, he said Revolut should pay Mr C £150 compensation for the distress and inconvenience caused by the time it had taken to complete its review.

Revolut agreed. Mr C didn't. He wants more compensation. He argued that he spent a number of hours trying to sort things out with Revolut and lost out on wages so he should be compensated for this, and the length of time he couldn't access his funds.

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.

Firstly, the investigator was right to point out that Revolut has important legal and regulatory obligations it must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. To comply with its obligations Revolut may need to review an account and/or restrict its customers' access to accounts and funds held within them. And it may also ask a customer to provide information about certain transactions and the source of funds in an account.

Having looked at all the evidence, I'm satisfied that Revolut acted in accordance with these obligations when it blocked and reviewed Mr C's account. And asked him for information. It was entitled to do so under the account terms and conditions. So, I can't say Revolut treated Mr C unfairly when it decided to block and review his account.

However, while Revolut are entitled to carry out a review, we'd expect them to do so in a timely manner and without undue delay. Revolut initially blocked Mr C's account on 13 July 2022. I can see that Revolut asked Mr C to provide it with information and that Mr C complied with the request promptly and supplied the information to Revolut on 14 July 2022. However, following this, Mr C's account remained blocked for a further 11 days, until 25 July 2022.

I haven't seen any evidence that Revolut asked Mr C for further information or that there were any issues with the information he provided. Revolut has accepted it should have unblocked Mr C's account sooner than it did and has explained that it was dealing with backlogs at the time. So, I'm satisfied that there were unnecessary delays in Revolut completing the review of Mr C's account. Revolut has agreed with the investigator's view to pay Mr C £150 compensation for the trouble and upset caused by the delay.

In response to the investigator's view Mr C said £150 compensation isn't enough. He's explained that he couldn't afford to travel to work so he missed out on wages. He's also said he was defaulted on loan and credit card payments due to not being able to access the money in his account. Overall, he's said that the restriction caused him stress and anxiety. So, he says the compensation offered isn't enough to reflect the amount of trouble, financial loss and upset he's suffered.

I've considered what Mr C has said about how Revolut's actions impacted him. I've noted that despite being asked to provide evidence to support the impact he says Revolut's actions had on him, regarding his loan and credit card accounts being defaulted he hasn't done so. Mr C also hasn't provided evidence to support his financial losses – the wages he says missed out on earning. So, it wouldn't be fair of me to tell Revolut to pay financial loss or compensation for something there's no evidence of.

Revolut have agreed to pay £150 as recommended by the investigator. Mr C says this isn't enough. Having considered what Mr C has told us about how Revolut's actions impacted him, I've no doubt this was a worrying and upsetting time for him. He needed access to money to get to work. And he had to go to the trouble of asking others to lend him money to pay for petrol, which I appreciate would have been awkward and embarrassing for him. He also spent time contacting Revolut trying to find out what was happening with his account and how long it would take for the review to be completed. Revolut has accepted it should have allowed done things quicker. And I agree. I say this because Mr C provided Revolut with the information it requested quickly. I haven't seen that Revolut needed anything more from Mr C. So, it's not clear to me why it took Revolut as long as it did to complete its review.

From looking at the in app chat conversation between Mr C and Revolut, I can also see that Mr C made it very clear he had no access to any other funds and how the block was impacting him. He asked Revolut to prioritise what it was doing on more than one occasion too. I haven't seen anything to suggest Revolut reached out to him or acknowledged he maybe in a vulnerable position. So, when I weigh everything up, I think Revolut should pay Mr C compensation to recognise the trouble and upset caused to him by the time taken for it to complete its review.

Having looked at all the evidence, while Mr C may disagree with me, I'm satisfied that £150 is a fair amount of compensation and proportionate to the trouble and upset Mr C was caused in the overall circumstances of this complaint. So, I won't be directing Revolut to pay any more.

My final decision

For the reasons I've explained, I uphold this complaint. To put things right Revolut Ltd should pay Mr C £150 compensation for the trouble and upset caused by the time taken for Revolut to complete its review of Mr C's account and release his funds.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 October 2023.

Sharon Kerrison
Ombudsman