

The complaint

Mr B complains Revolut Ltd blocked his account and removed £25 from the account without his permission. They closed Mr B's account. Mr B would like to know the reason and compensation.

What happened

On 28 July 2022 Mr B tried to make a payment but was declined. Revolut confirmed they had blocked his account as they were carrying out a review. Mr B contacted Revolut to try and find out why the account was being reviewed but Revolut didn't provide Mr B with this information.

On 5 August Revolut sent 60 days' notice to close Mr B's account. Revolut said Mr B had until 4 October to transfer his funds. Revolut also transferred £25 from his account. Mr B thought this was a fraudulent transfer, but Revolut told Mr B that the sending bank had requested the funds be returned.

Mr B was unhappy his funds had to be converted to sterling in order to close the account.

Mr B complained to Revolut. They said they couldn't provide information about why the account was closed. They confirmed they were entitled to return the £25 back to the sending bank. They agreed to refund Mr B £6.99 premium subscription charge.

Mr B was unhappy, so he complained to our service. One of our investigators looked into the complaint. She said Revolut were entitled to review and close his account. And she didn't think Revolut had done anything wrong by not sharing the reasons with him. She said Revolut had acted fairly when it returned £25 back to the sending bank. She confirmed the funds had been sent to a bank I will call M. She thought Revolut had done nothing wrong when converting the funds in Mr B's account to sterling on closure of the account although she accepted that it caused Mr B inconvenience. She thought Revolut was fair to refund the premium fee.

Mr B was unhappy with the view he said he wanted to know what Revolut's reasons were. He was concerned that without knowing this Revolut could have made up false information about him, he pointed out he felt he had done nothing wrong.

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.

I'll start by setting out some context for the review of Mr B's account. UK legislation places extensive obligations on regulated financial businesses. 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 am satisfied Revolut were complying with these obligations when they reviewed Mr B's account.

I can see that in blocking the account Revolut were following an internal process which they carried out in order to comply with their legal and regulatory obligations. This was a legitimate exercise so I can't say Revolut was unfair.

Revolut proceeded to give Mr B 60 days' notice that they would be closing his 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 good reason to do so, this service won't usually say that a financial institution must keep a customer or require it to compensate a customer who has had their account closed.

Banks should, however, give reasonable notice before closing an account. Usually that means 60 days' notice, but it can be less depending on the circumstances. I can see that Revolut wrote to Mr B on 5 August 2022 and let him know it was closing his account giving him 60 days' notice. So, I'm satisfied Revolut closed the account in line with the account terms. And gave Mr B adequate time to open another account.

Reason

Mr B is concerned that Revolut haven't given him a reason for the closure of his account. He says without this Revolut could be making up false information about him.

I appreciate Mr B found it difficult to be told his account would close and not be given a reason. I understand that Mr B wants Revolut to explain the reason it applied the block to his account and subsequently close it. And provide him with the information it relied on to do so. But Revolut doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr B the reasons behind the account block and closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr B this information. And it wouldn't be appropriate for me to require it to do so.

I want to reassure Mr B that I have looked at the information that Revolut relied on to review and block the account. Having done so I am satisfied that Revolut didn't treat Mr B unfairly when it reviewed and blocked his account, and I won't be asking them to compensate Mr B.

Mr B has said that he's unhappy Revolut took £25 out of his account and sent it back to the sending bank. Mr B says that Revolut don't have the right to transfer this money out of his account. Mr B originally thought there had been a fraud on his account and I can understand that this would have caused him anxiety however Revolut explained the funds had been recalled by the sending bank. I have looked at the terms of the account and Revolut are entitled to reverse a payment in certain circumstances, and I'm satisfied they haven't done anything wrong when they sent the £25 back to the originating bank.

Mr B has said that due to the closure of the account he had to transfer all his funds into sterling, and he is unhappy about this. I've again looked at the terms and I'm satisfied Revolut are entitled to require that the funds be transferred into the base currency in this case Sterling. So, I can't say Revolut have acted unfairly there.

Mr B received a refund from Revolut of the premium fee of £6.99 following Mr B's complaint. I am satisfied this is fair

In summary having reviewed all the information provided by both parties I'm satisfied that Revolut acted fairly when they reviewed and closed Mr B's account. As I've said they are not obliged to disclose the reason for the review and closure, so I don't think they have acted unfairly in not providing Mr B with a reason. I can see Revolut were entitled to return the £25 to source so I am satisfied that Revolut have treated Mr B fairly and I won't be asking them to do anything else.

My final decision

For the reasons stated above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 27 September 2023.

Esperanza Fuentes
Ombudsman