

The complaint

Mr J complains that Revolut Ltd (Revolut) closed his account without notice. He would like an explanation as to why this was done and for it to reopen his account.

What happened

Mr J's Revolut account was blocked at the end of July 2018. He got in touch with it on the same day via its chat function but wasn't able to get an update until 11 September when he was told his account was being reviewed. He chased Revolut a few more times and on 3 October he was told that following a review of his account it would be unable to continue to offer services to him. Revolut suspended Mr J's account and returned his remaining funds (1.26 polish zloty- roughly £0.26 at the time) to the original source which was his top up bank account.

Mr J then provided Revolut with ID documents and a photo as he said he hadn't been asked to provide these when he opened his account, but it repeated that his account was suspended. It said it wasn't able to disclose any further information and wouldn't continue to offer its services to him.

Mr J complained to Revolut on 5 July 2022 and it responded the following day but it didn't uphold the complaint. It said, sometimes, in order to protect its customers it has to carry out account reviews and also that it is bound to comply with strict legal and regulatory obligations. After carrying out a compliance review on Mr J's account it decided not to continue to offer its services. It repeated that it couldn't specify the exact reasons why and relied on its terms and conditions to justify this decision. It said its decision was final and that Mr J would not be able to create a new account or reactivate his original one.

Mr J brought his complaint to us in September 2022. He said he didn't remember being asked for his photo and ID when he opened his account and thought that might be why his account was closed. He also said that some members of his family had had their accounts closed in the same way as him. He said he felt he had been treated unfairly and discriminated against and didn't think he had broken any rules. He wants Revolut to reopen his account and explain why it was blocked.

One of our investigators reviewed the complaint and thought it should be upheld. He didn't think Revolut had provided sufficient evidence to justify closing Mr J's account without notice. He thought it should have given him more notice and that it delayed reviewing the account but agreed it acted fairly and reasonably in closing it. Our investigator thought Revolut should pay Mr J £100 compensation for the distress and inconvenience it caused him.

Revolut agreed with our investigator but Mr J didn't and so the matter was passed to me for a final decision. Mr J wanted to know whether his account would be restored, the reason for the closure and he also wanted more information regarding his family's accounts.

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.

It might be helpful if I start off by explaining that our service doesn't punish or fine businesses, and it's also not our place to say that a procedure the business follows is incorrect. Only the industry regulator, the Financial Conduct Authority (FCA), can do this. Businesses have legal and regulatory obligations they have to meet and they have processes in place in order to meet these obligations. 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.

So our role in cases like this one, is to look at whether the business has followed its own internal procedures correctly, while also meeting its legal and regulatory obligations.

Revolut closed the account on 3 October 2018 and blocked it on 31 July 2018 in order to conduct a review. From what I have seen, I don't think Revolut acted unreasonably in reviewing the account. As mentioned above, Revolut has ongoing legal and regulatory obligations and this means that in order for it to comply with those it may need to review its customers' accounts from time to time which may lead to an account being closed. And, though it did in this case, Revolut doesn't need to give notice that it is reviewing an account.

Revolut has provided evidence, which I have considered but can't share with Mr J, which shows to me that its decision to close the account was fair and reasonable. Our rules allow us to receive evidence in confidence. We may treat evidence from businesses as confidential for a number of reasons- for example if it contains security information, or commercially sensitive information. Some of the information Revolut has provided is information that we considered should be kept confidential so, as I said, I won't be sharing a lot of detail with Mr J but I'd like to reassure him that I've considered everything.

As I said above, the account was closed without notice. Revolut is relying on its terms and conditions which say that it can close an account immediately in certain circumstances. I have considered its reasons for doing so but I don't think it acted fairly and reasonably in the circumstances. I say this because Revolut hasn't provided sufficient information or evidence to show why an immediate closure was necessary.

I also note that Revolut took over two months to review the account. Revolut has provided an explanation for this but, again, no evidence in support. And without this evidence I don't think this delay was justified.

For the reasons above, I think Revolut should pay Mr J £100 for the distress and inconvenience his immediate account closure caused him. I note that there was a very small balance on Mr J's account (1.26 polish zloty) which was returned to his top up account when his account review was completed. As this was such a small amount, I won't be awarding interest for the period between the suspension and the closure of the account.

I understand Mr J wants Revolut to explain why it closed his account but it is under no obligation to tell Mr J the reasons why it reviewed and closed the account. So I don't think it's done anything wrong by not telling Mr J why the account was closed. Just as a customer can

choose who they bank with, a bank can choose who it has (and keeps) as customers. A bank doesn't need to explain to its customer why it's closing an account, just as Mr J wouldn't have had to give Revolut a reason if he'd decided to leave it. As I said above, as part of looking at the case I have reviewed the reasons and I am satisfied that Revolut acted fairly. So I won't be asking it to reopen Mr J's account.

Mr J mentioned that members of his family had their accounts closed in similar ways. He thought this was discrimination. Though I appreciate this is his perspective, it's not my role to make findings about discrimination; that's a matter for the courts. What I will say though is that I haven't seen any evidence that would suggest that Revolut treated Mr J in a way that was different to other customers who are in a similar situation as him. Also, as Mr J may be aware in this decision I can only consider his complaint about his own account- not his family's. If any members of his family were/are customers of Revolut and wish to complain they must first raise their complaints with it.

My final decision

For the reasons above, I've decided to uphold this complaint and require Revolut Ltd to pay Mr J £100 for the distress and inconvenience it caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 15 September 2023.

Anastasia Serdari
Ombudsman