

## The complaint

Mr K complains that Revolut Ltd rejected three payments and returned them to source, one of which he's yet to receive. He'd like the payment returned and compensation for the impact.

## What happened

On 25, 26 and 27 February 2022 Mr K's Mother sent him three transfers, each of 4,000 euros, from her account with a Russian bank, I'll call Bank S.

Mr K contacted Revolut to query what happened with the payments – he couldn't see the latter two payments in his account and the funds for the first payment, I'll call Payment A, weren't available.

Revolut informed Mr K they'd look into the payments, and on 2 March 2022 they informed Mr K – along with all other customers who'd recently transacted with Russia – that they weren't accepting any payments from Russia.

Mr K queried what was happening with his payments, and argued that they'd been received by Revolut *prior* to the implementation of their policy so asked why they hadn't been processed.

Revolut didn't explain why the payments were caught in the new policy, but advised Mr K that the payments had been rejected by them and returned to source on 14 March 2022.

Mr K's Mother received two of the payments into her account on 4 April 2022. But Payment A hadn't been received. Mr K contacted Revolut to query the location of Payment A on 8 April 2022. Revolut advised they'd looked into the payment, and after Mr K contacted them again on 11 April 2022 said they'd raise it with the relevant team to establish whether the payment was stuck with an intermediary bank.

However Payment A *wasn't* raised with a specialist team until 11 May 2022, and no contact was made between Revolut and the first intermediary bank, I'll call Bank B, where Payment A had first been sent.

On 30 June 2022 Bank B informed Revolut that Payment A had been sent by them to another intermediary bank, I'll call Bank D. However Bank D couldn't send the funds to Bank S due to it being removed from the SWIFT payments system.

Revolut updated Mr K on 1 July 2022 that the payment was stuck with Bank D, and they couldn't recall it due to financial sanctions imposed on Russia.

Mr K wasn't satisfied with Revolut's response so complained. Revolut looked into his complaint, but thought they'd acted fairly in following global sanctions. However, they thought that their investigation into what happened to the payments had taken too long and credited Mr K 200 euros as an apology.

One of our investigators looked into Mr K's complainant. Having done so they thought

Revolut acted fairly in returning the payments back to source, however felt they should have started contacting Bank B much sooner – and on 11 April 2022 at the latest. They thought that Revolut's communication with Mr K was poor, and he was inconvenienced by this, and recommended Revolut pay Mr K £100.

Revolut haven't responded. And Mr K didn't accept our investigator's conclusion. In summary he said:

- From the 14 March 2022 onwards he contacted Revolut several times about the missing payments.
- Revolut misrepresented their actions in chasing the payments
- They should have started their investigation on 23 March 2022
- It should take five working days for the payments to be reversed
- They've failed to comply with the FCA's principles
- He'd like to be compensated the value of Payment A, 4,000 euros, plus interest, distress and inconvenience.

As Revolut and Mr K haven't reached an agreement it's been passed 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'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything that Mr K and Revolut have said before reaching my decision.

#### *Reversing of payments*

I've firstly considered Revolut's decision to return the three payments to source. Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. As part of these actions they need to ensure compliance with global sanction policies.

In Revolut's explanation to Mr K they advised that all three payments were returned due to the new policy Revolut implemented on 2 March 2022, specifically rejecting any payments from Russia.

Mr K's queried how this policy can be implemented when the payments were sent to Revolut on 25, 26 and 27 February – the first of these payments was sent three working days prior to the implantation of the policy.

I've considered Mr K's argument, and Revolut's actions in returning all three payments. I appreciate this will disappoint him but I'm satisfied Revolut's actions here were fair –

whenever an international payment is received additional checks need to be completed. Revolut have explained that additional checks were required on any payments from Russia due to the implantation of new sanctions covering individuals and different industries. Mr K's quite right that there's no suggestion he or his Mother are sanctioned individuals. Nor at the time was Bank S sanctioned. However, by the time these checks were completed Revolut had introduced a new policy to reject all transfers from Russia. I don't find the time the checks took to complete or the implementation of the policy to reject the funds unfair.

I've moved on to consider what happened to the payments after Revolut rejected them. I've seen evidence from Revolut that Payment A was returned on 14 March 2022. Revolut have explained, much as on the payment arriving with them, that intermediary banks were required before the payment could reach Bank S. Firstly the payment was sent to Bank B. After completing their relevant checks Bank B would move the payment to Bank S's intermediary bank, before the payment is finally sent to Bank S. Two of the payments successfully reached Bank S, however Payment A didn't. It's not clear why Payment A wasn't returned successfully – but this isn't something I can hold Revolut responsible for unless there's evidence they made an error here. Which I haven't seen. From the SWIFT message conversations between Revolut and Bank B, I can see that Bank B confirmed on 30 June 2022 that they'd successfully moved on the payment to Bank D – but Bank D couldn't return it as Bank S had been removed from the SWIFT payments system.

Mr K's argued that Revolut's failure to chase the payment until 11 May 2022 led to him and his Mother losing out – and the payment not being returned. So, he'd like to be compensated the full value of the payment. I'm afraid I can't agree with that assessment. Even if I conclude that Revolut misinformed Mr K and failed to chase Payment A when they should have done, it doesn't follow that the returned payment would have successfully reached Bank S. I say this, as I can't see how Revolut chasing Bank B sooner would have enabled Bank D to successfully return it to Bank S.

### *Chasing of Payment A*

I've thought about the service Revolut provided in chasing Payment A and informing Mr K of their progress. I agree with Mr K here. The service provided wasn't what I'd expect from Revolut, and they did misinform Mr K about actions they were going to take. Including on 11 April 2022 when they told Mr K they'd contact Bank B to ask about where the payment was. Instead they didn't raise any query *until* 11 May 2022. A month later. On raising the payment however Revolut did keep Mr K accurately informed, and I'm satisfied provided as much information as they could once Bank B updated them with the current status of the funds on 30 June 2022.

### **Putting things right**

I've thought about the impact of this on Mr K. And I think Revolut's failure to contact Bank B meant he was inconvenienced. If they'd contacted Bank B on 11 April 2022, when I'd have expected them to, Mr K would have been updated much sooner. And known the reason for the delay in Payment A being returned. As I've already explained, I'm satisfied their failure hasn't caused him – or his Mother – to be without the funds. But he was caused inconvenience. I think as our investigator proposed, an £100 additional compensation is fair.

### **My final decision**

My final decision is I partially uphold this complaint and I direct Revolut Ltd to:

- Pay Mr K £100 compensation for the inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 January 2024.

Jeff Burch  
**Ombudsman**