

The complaint

Mr A complains that Revolut Ltd transferred £84.91 out of his account. He would like his money returned and substantial compensation.

What happened

Mr A had an account with Revolut.

Mr A received £50 from an account with a bank I will refer to as M. Mr A has said he didn't know what the money was for or who the payment was from. Revolut reviewed Mr A's account and returned the £50 to source. Revolut told Mr A it would be closing his account.

Mr A was unhappy that Revolut had returned £50 to source without his permission or notice. Mr A had an account balance of £34.91. Mr A transferred this amount to his own account with bank M. However due to an error Mr A had sent his closing balance of £34.91 to an unknown third party.

Mr A wanted Revolut to arrange for the balance of £34.91 to be returned to him but Revolut said they weren't able to.

Mr A was unhappy with Revolut's response, so he complained to our service. One of the investigators looked at the complaint. She thought Revolut had acted fairly when they returned the £50 to source and she didn't think Revolut needed to tell Mr A the reasons why or ask for his consent. She thought Revolut had contributed to the error in Mr A sending his closing balance to a wrong account with bank M because Revolut had added that account to Mr A's list of payees.

Revolut agreed with our investigator's view.

Mr A was unhappy with the view. He said he had been a customer for many years and Revolut had decided to close his account and hadn't given him a reason. He wanted £84.91 returned and £300 compensation.

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 A'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 A's account.

Because of their obligations Revolut reviewed Mr A's accounts. Revolut have said that they were concerned about a payment of £50 received into Mr A's account. They blocked the account and asked Mr A for information about the payment. This is reflected in Revolut's terms and conditions. These say Revolut can block an account or card to meet its legal obligations and delay payments if needed to carry out further checks. The terms and conditions of the account also allow Revolut to close and suspend accounts immediately in some circumstances

Revolut decided to return the £50 to source. I have looked at the information provided by Revolut as well as the terms and conditions of the account. I'm satisfied that Revolut acted fairly when they returned the £50 to source and they were entitled to do so in line with the terms and conditions of the account.

Revolut went on to close Mr A's account and gave him 50 days to withdraw his remaining balance. Mr A has said he's unhappy Revolut closed his account because he had been a customer for many years.

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 bank 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. Looking at the evidence I'm satisfied that Revolut acted fairly here and complied with the terms and its legal and regulatory obligations when it closed Mr A's account. It follows I won't be asking them to pay compensation here.

Mr A has said he wants to know the reason Revolut have decided to close the account. Whilst Mr A may have expected to be given the reasons for the closure, Revolut isn't required to give him a specific reason for closing the account. So, I can't say Revolut has done anything wrong by not giving Mr A this information – as much as he'd like to know.

Mr A has asked that Revolut return the £50 that were returned to source. I have looked at the evidence and I'm satisfied Revolut haven't acted unfairly when they returned the funds to source so I won't be asking them to return £50 to Mr A.

Mr A has said that he made an error and sent the closing balance in his account to the wrong account with bank M. He says this was due to Revolut adding a third-party account payee to Mr A's account. Mr A says he didn't realise this wasn't his own account with bank M. Revolut have agreed to refund Mr A £34.91. The investigator thought this was a fair resolution to the complaint and I agree. I will be asking revolut to refund this to Mr A. If the amount hasn't been paid, I will need to direct the business to pay the offer

My final decision

For the reasons stated above I partially uphold this complaint. I direct Revolut Ltd to pay Mr A £34.91.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 September 2023.

Esperanza Fuentes

Ombudsman