

The complaint

Mr C complains that Revolut Ltd blocked his account and took too long to return funds held in the account back to him. He's also unhappy about the way Revolut handled things. He says this caused him financial losses and upset. He wants Revolut to pay him compensation.

What happened

In December 2020, Revolut carried out a review of Mr C's account. As part of its review, Revolut asked Mr C to provide information about the source of funds in his account and his income, via its in app chat facility.

In response, Mr C sent Revolut an email with copies of his wage slips to show the origins of the payments that were being made into his account.

In January 2021, Mr C contacted Revolut again via its in app chat to complain about the review. Revolut told Mr C that it hadn't received the information he had sent them. Mr C explained to Revolut that he had complied with their requests for information and sent everything to them on 4 January 2021. He told Revolut he wanted to make a complaint and close his account. And that he'd removed all of his funds from his account.

However, Revolut didn't tell Mr C about its complaints process or close his account. And it asked Mr C to resend the information so that it could review the documents. Mr C explained that he was having trouble loading the documents in the correct format so wasn't willing to resend the documents. Revolut looked again and on 29 January 2021, told Mr C that it had received the information he'd sent to them.

In early February 2021 Revolut told Mr C that it had reviewed the documents he had submitted but it wanted a bit more information regarding his income and account statement. Revolut told Mr C that it would then be able to complete its review without any further delay. On 27 February 2021, Revolut asked Mr C for more information regarding a refund of £1,000 that had been paid into Mr C's account in October 2020. Mr C didn't respond to Revolut's request for information about the refund. So, Revolut blocked his account. Following this, on 10 May 2021, a credit of £60 was paid into Mr C's account. But due to the block Mr C wasn't able to access these funds.

On 3 June 2021, Revolut told Mr C that it didn't need the information it had requested on 27 February 2021 and to disregard all of its previous requests. Revolut said it had reviewed all the documents Mr C had provided and completed its review. And said it had unblocked Mr C's account. However, when Mr C tried to access his account, it was still blocked. Mr C's account was unblocked on 4 June 2021.

Mr C complained to Revolut. It said it hadn't done anything wrong when it had decided to block his account. But it accepted that the review of Mr C's account had taken longer than it should have due to backlogs it was experiencing. Revolut also acknowledged that it should

have helped Mr C set up a complaint properly when Mr C had contacted them in January 2021.

Revolut apologised to Mr C for the service it had provided and the delays. It offered him £50 compensation. It also refunded him two years of annual fees amounting to £144. Mr C wasn't happy with this response and brought his complaint to our service. He said the amount of compensation offered doesn't adequately reflect the amount of trouble, upset and financial losses he suffered.

Mr C says the block to his account was inconvenient and he had to go to the trouble of providing Revolut with information about the source of funds paid into his account twice. He's told us that he had to constantly chase Revolut via its in app chat, trying to find out what was happening with his account, which was very frustrating, time consuming and Revolut didn't acknowledge his complaint. Mr C also said because of the block on his account he lost out on profits and had to go to the trouble of opening another account so that he could receive his salary, which he usually received from overseas. So, he wants Revolut to pay him compensation.

One of our investigators reviewed the complaint. She thought Revolut hadn't done anything wrong when it had blocked Mr C's account. She said that Mr C hadn't provided the information Revolut requested at the time, so he'd contributed to how long things took. She didn't uphold Mr C's complaint.

Mr C disagreed and said Revolut hadn't treated him fairly. He said he gave Revolut the information it wanted and the time it took Revolut to complete its review was far too long which caused him a lot of trouble, upset and financial losses. So, he wants more compensation.

As no agreement could be reached the matter came to me to decide. I issued a provisional decision in which I said the following:

Firstly, as the investigator has already explained, Revolut has extensive legal and regulatory responsibilities they must meet when providing account services to customers. And to fulfil these obligations they may need to review activity taking place on accounts and ask customers for information, for example about payments, and information about the individuals operating the accounts – it's entitled and obliged to carry out such checks. The terms of Mr C's account also permit Revolut to review an account and ask its customers for information.

Mr C says he was using his account to receive his salary, which came from different sources. And he was paying his bills from the account. I also accept that he had to go to the trouble of collating and submitting information that Revolut requested about him and the source of his funds. So, I can understand why he found this whole experience with Revolut frustrating and upsetting.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Revolut to block Mr C's account. Revolut has explained that this was its standard procedure, and I accept that it was. And I'm satisfied that in doing so Revolut were complying with its legal and regulatory obligations. This was a legitimate exercise. So, whilst I appreciate Mr C was inconvenienced when his account was blocked, I can't say Revolut treated Mr C unfairly when it decided to restrict his account.

Mr C's account was restricted from December 2020 until June 2021. I can see from the in app chat that Mr C chased Revolut repeatedly to try and find out what was happening with

his account, which would have been time consuming and frustrating. I note too that Revolut incorrectly told Mr C on 3 June 2021 that his account was fully operational when it wasn't. This meant he had to wait a further day to gain access to his account.

Revolut has accepted it didn't do things as quickly as it should have due to experiencing backlogs at the time. But it's also argued that Mr C contributed to the delays as he didn't respond to its requests sometimes for weeks at a time. I've taken this into account, and from looking at the timeline of the in app chat I agree that there were periods when Mr C didn't respond to Revolut. This amounted to around six weeks in total. But overall Mr C wasn't able to access his account for around six months, which I consider to be a long time.

Mr C has maintained that he provided all the paperwork Revolut requested. And that he had to do this twice because Revolut said it hadn't received anything from him. He says he did this in December 2020 and early January 2021. Mr C can no longer provide any evidence to show he did this. But I've looked at the in app chat screen shots between Revolut and Mr C at the time and I can see that on 5 February 2021 Revolut acknowledged it had actually received documents from Mr C and was reviewing everything. This was despite telling him on 29 January 2021 it hadn't received anything from him. It's not clear to me why Revolut couldn't locate the information Mr C had sent in but based on this I think it's likely Mr C had submitted the paperwork when requested and went to the trouble of doing so twice.

I can also see that Mr C also sent Revolut an email to raise a formal complaint about the block on his account. I can't see that this was acknowledged by Revolut. I note too that Mr C raised this issue in the in app chat. Revolut has apologised and accepted it didn't deal with this properly and should have offered him an opportunity to fill in an online complaint form as part of his in app chat. So, overall, I'm currently satisfied that Mr C was caused trouble and upset. And I do think Revolut could've provided better service to him when it reviewed his account.

Mr C has said that due to the block he lost out on profits of around £2,000 and couldn't access his salary. But he hasn't provided any evidence to show that he lost out financially. So, it wouldn't be fair of me to award compensation for something there's no evidence of. I can also see that Mr C moved his money out of the account and at the time the block was removed had a balance of just over £130 - £72 of which was made up of the account fee Revolut refunded. I note too that Mr C told Revolut in the in app chat that he moved all his money out of the account. So, I've not seen any evidence that Mr C couldn't access his salary.

Turning to awards for non-financial loss there isn't a set formula that we use to calculate awards for particular mistakes or poor service. It's my role to consider what impact Revolut's actions have had on Mr C and decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

Revolut has accepted it took too long to complete its review and offered Mr C £50 compensation. It's also offered to refund Mr C two years of annual fees which amounts to £144. I can see it has already paid Mr C £72 which appears to be just one years' worth of fees.

In this case, while I appreciate Revolut are entitled to block and review Mr C's account, based on the evidence I've seen so far, I think it's fair to say the delays caused by Revolut when it reviewed Mr C's account caused him worry and upset. I say this because Mr C had to spend time contacting Revolut and he had to wait six months for Revolut to release his

funds. So, I can appreciate this would've been inconvenient and upsetting for him. And it's only right that Revolut recognises this.

I can also see that Revolut didn't give Mr C the right information about how to set up his complaint regarding his account and didn't unblock his account when it said it had done so, which I think added to his overall frustration with the situation. Because of this, I currently think Revolut should pay Mr C £200 compensation to recognise the trouble and upset caused to him. This is more than a token amount and acknowledges that Revolut could have done things better here. I understand that Mr C wants much more compensation. But we can't award compensation to punish financial businesses. Our awards are often a modest amount.

Finally, Mr C says he's unhappy that he could only contact Revolut via its in app chat facility. And says he should've been able to call Revolut and speak to a person. I can appreciate that not being able to pick up the phone to Revolut was frustrating for Mr C. But as the investigator has already explained, we are not the regulator of firms – so we can't tell them how to run their businesses, or how to design or implement their processes. Revolut communicates with its customers via an in app chat facility- that's how it runs its business – and we can't interfere with its commercial decisions.

My provisional decision was that I intended to uphold Mr C's complaint. To put things right I Revolut Ltd should:

- Pay Mr C a total of £200 compensation for the trouble and upset this matter has caused him*
- If it hasn't already done so, refund Mr C the remaining account fee of £72*

After I issued my provisional decision both parties were invited to provide further evidence or submissions. Both parties disagreed with what I'd said in my provisional decision and provided more information.

In summary, Mr C said Revolut asked him about a £1,000 transaction, which was to do with a vehicle he was trying to buy. And not the £60 transaction he'd received. He had provided all the information Revolut requested. And they never responded to his complaint. He stopped using the account from December 2020, so, Revolut should refund the account fees from this date. Mr C says he did contact Revolut after his account was blocked, but he no longer has access to the in app chat, to support this. He doesn't accept £200 compensation, as this doesn't cover the costs of his phone calls and time spent chasing things with Revolut via its in app chat facility. He wants £500 compensation to resolve his complaint.

Revolut also disagreed with the provisional decision. In summary, it said whilst its account review had taken longer than usual to complete it hadn't blocked Mr C's access to any funds during the review as the account didn't have a balance for much of the time. It pointed out that the block prevented Mr C from accessing £60 which had been paid into his account on 10 May 2021. And that Mr C had been able to access these funds on 4 June 2021, so the block had only stopped Mr C accessing funds for around three weeks – and not months. Revolut also pointed out that at the time the £60 credited his account, Mr C was aware his account was blocked. And that Mr C had been extremely abusive towards Revolut staff in its in app chat. Revolut also said it had already refunded Mr C two years' worth of account fees in June 2021. So overall, Revolut said the £200 compensation was excessive.

Following both parties, submissions to my provisional decision, I reviewed everything afresh. After doing so I reached a different decision to the one set out in my first provisional decision, which is repeated above and forms part of this decision. I issued a second provisional decision in which I said the following

I've already explained, Revolut has important legal and regulatory responsibilities they must meet when providing account services 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. To fulfil these obligations Revolut sometimes may also need to ask customers for information. This is what happened here.

Having looked at all the evidence, including how Mr C was operating his account, I'm satisfied that Revolut acted in accordance with these obligations when it blocked and reviewed Mr C's account. It was also entitled to do so under the account terms and conditions. So, whilst I accept, Revolut's actions caused Mr C inconvenience and frustration when it asked him for information and blocked his account, I can't say it did anything wrong and treated him unfairly in doing so.

Having looked again at all the information and considered both parties submissions, I'm satisfied that Revolut started its review of Mr C's account in December 2020. And started asking Mr C to provide information about the source of funds coming into his account. I'm also satisfied based on what Revolut has told this service in an email dated 14 June 2021, that Mr C's account was blocked from 26 February 2021 until 4 June 2021.

I've thought about the impact that the block had on Mr C. From looking at Mr C's Revolut statements during the period the account was blocked it had a minimal balance. I've also kept in mind that on 4 January 2021, Mr C told Revolut that he had removed all of his funds from his account. And it wasn't until £60 was paid into Mr C's account on 10 May 2021, that Mr C's account had a balance. So, whilst I accept Mr C wasn't able to use his account whilst it was blocked, for the majority of the period, there was no money in the 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. Mr C has maintained that he provided all the paperwork Revolut requested. He says he did this first in December 2020 and then again in early January 2021 when Revolut said it hadn't received anything from him.

I can see from looking at the in app chat on 5 February 2021 that Revolut appear to have found the information Mr C had submitted and told him that it was getting on with reviewing everything. It's not clear to me why Revolut couldn't locate the information Mr C had sent in but based on this I think it's likely Mr C had submitted the paperwork when requested and went to the trouble of doing so twice.

Revolut reached out to Mr C again on 27 February 2021, when it asked him about a £1,000 payment in October 2020. But Mr C didn't respond. However, I note that Mr C says the transaction was related to a vehicle he intended to purchase which the dealer wasn't able to supply. He's said that he supplied the invoice to Revolut to support his explanation. Following this request Mr C's account remained blocked until 4 June 2021, which means he wasn't able to use his account or access the £60 that had been paid into the account in May 2021.

Revolut hasn't offered any detailed explanation for why its review of Mr C's account took so long to complete other than it was dealing with back logs. I also note that Revolut incorrectly told Mr C his account was unblocked on 3 June 2021. So, overall, I'm satisfied Revolut has

caused unnecessary delays in releasing Mr C's funds and completing its review of Mr C's account.

Revolut has accepted it should have provided M C with better service and done things quicker. It has also accepted it didn't handle things well when Mr C wanted to raise a complaint about his account being reviewed. To put things right Revolut offered Mr C £50 compensation and refunded him £144 – which was two years' worth of account fees. I can see that Revolut has already refunded the fees on 3 June 2021 directly into Mr C's account, which Mr C has withdrawn. I think this is fair and reasonable, so I won't be directing Revolut to refund any other account fees.

I've considered what Mr C has said about how Revolut's actions impacted him and that he wants more compensation than what I set out in my provisional decision. I've noted that despite being asked to provide evidence to support the impact he says Revolut's actions had on him, he hasn't done so. So, it wouldn't be fair of me to tell Revolut to pay financial loss or compensation for something there's no evidence of.

Turning to awards for non-financial loss there isn't a set formula that we use to calculate awards for particular mistakes or poor service. It's my role to consider what impact Revolut's actions have had on Mr C and decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

Based on the evidence I've seen I think it's fair to say the delays caused by Revolut when it reviewed Mr C's account caused Mr C trouble and upset. And I agree some compensation is appropriate for this. I say this because Mr C had to spend time contacting Revolut and he had to wait for Revolut to release his funds. So, I can appreciate this would've been inconvenient and frustrating for him. And it's only right that Revolut recognises this.

In my provisional decision I said that Revolut should pay £200 compensation. However, having relooked at the circumstances of this complaint, I can see that whilst Mr C didn't have access to his account between February and June 2021 there was a minimal balance in the account – only £60. Mr C had cleared down the account in January 2021. Mr C hasn't provided any evidence to demonstrate the impact being without these funds had on him. So, I'm satisfied that £100 is a fair amount of compensation and proportionate to the trouble and upset Mr C was caused. Revolut should pay Mr C 8% interest on his account balance from 10 May 2021 until 4 June 2021 for loss of use of these funds.

After I issued my second provisional decision both parties were invited to provide further evidence or submissions. Revolut agreed with my provisional decision. Mr C didn't agree and provided more information. In summary he said:

- He had to spend time trying to get his account unblocked, providing information to Revolut and setting up a new account which took him away from his business. So, he should be compensated at his hourly rate.
- He provided Revolut with all the information it requested, but Revolut continued to block his account.
- Revolut have lied about not receiving information it provided and had no reason to block his account.
- The ombudsman is biased and simply believed what Revolut have said about blocking his account.
- He hasn't received a refund of his account fees.
- The amount held in his account is immaterial at the time it was blocked as the block

was unreasonable.

- Revolut should be punished otherwise it will never change.
- He wants more compensation for the amount of trouble and upset Revolut's actions has caused him.

Now both sides have had an opportunity to comment I can go ahead and issue my final decision.

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.

In response to the provisional decision, Mr C has raised a number of concerns, which I'll now address below.

Firstly, Mr C has said he is concerned that the ombudsman service is biased because I've have only partly upheld his complaint– with the implication being that Revolut is influencing our conclusions inappropriately. Whilst I do recognise his concern, as an ombudsman service our approach is to consider what both parties say and then reach our own independent conclusions on that evidence. That is what we have done in this complaint. If Mr C does not agree with our view, he does not have to accept it, and if he does not accept this final decision, he will be free to continue to pursue his concerns by other means should he wish to do so. I cannot, however, advise him on how to go about doing that.

I appreciate Mr C feels Revolut could have done things quicker. He's also said that he did provide them with the information it requested on more than one occasion. I agree with Mr C on these points and that is why I have partly upheld his complaint. And awarded him compensation including interest for loss of use of his account balance.

Mr C says he did everything Revolut requested and Revolut lied about not receiving the documents he submitted and haven't been truthful with this service. This is a serious allegation. We've asked Revolut to set out its rationale for blocking Mr C's account and its review process, and I would expect it to set out for our service the full details of all of its interactions with Mr C when asked to do so. And the events which led to the block of his account. I've not seen any evidence that would suggest it hasn't done so. And I don't think, as Mr C seems to fear, that there is anyone within Revolut who is deliberately misleading or withholding information from this service.

Mr C says he hasn't received a refund of his account fees – which amounts to £144. I've looked at Mr C's account statements and I can see that this was refunded. And that Mr C withdrew the funds. So, I'd suggest Mr C reviews his account statements.

Mr C says the compensation awarded isn't enough. He says he should be compensated based on his hourly rate. And he has submitted an invoice as an example to show his hourly rate. He is seeking £1,400 compensation. I should explain that when we award compensation, we don't usually award compensation on the basis of a complainant's business or professional hourly rate. I haven't seen any evidence that Mr C was acting in his professional capacity when contacting Revolut. Mr C also hasn't provided any evidence that contacting Revolut meant he lost out on income. So, I don't think based on the evidence Mr C suffered a financial loss.

Mr C has asked to be compensated for the time he's had to wait for his complaint to be resolved. But I'd need to be satisfied that he's lost out and been caused inconvenience by not having his complaint resolved sooner. And on balance, I can't say this is the case. Therefore, I won't be awarding any compensation. I should also explain that our awards are designed to reflect the actual loss, trouble, and upset caused to the consumer by something a financial business did wrong. We are not here to punish financial businesses. Nor can we award compensation as a means of punishing a business for a consumer bringing their complaint to this service. I'm satisfied that £100 compensation is fair and reasonable and proportionate to the trouble and upset Mr C was caused. So, I won't be asking Revolut to do anything more to resolve this complaint.

In conclusion, whilst I take on board Mr C's comments, I see no reason to depart from my provisional findings, which are repeated above and form part of this decision. My final decision therefore remains that I partly uphold the complaint and direct Revolut to settle the complaint as detailed below.

My final decision

For the reasons I've explained, my final decision is that I partly uphold M C's complaint against Revolut Ltd.

To put things right, Revolut Ltd should do the following:

- Pay Mr C £100 compensation for the trouble and upset caused by the time taken to complete its review of his account
- Pay Mr C 8% simple interest per year for the sum in Mr C's account between 10 May and 4 June 2021.

HM Revenue & Customs require Revolut Ltd to withhold income tax from the abovementioned interest. Revolut should give Mr C a certificate showing how much is taken off if he asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 November 2023.

Sharon Kerrison
Ombudsman