

The complaint

Mr M complains about the level of service he received from Revolut Ltd (“Revolut”) when it attempted to verify his ID in line with its knowing your customer obligations. He says it has unfairly blocked access to his money when he was vulnerable.

What happened

In September 2022 Mr M opened an account with Revolut online supplying a photograph of himself in line with Revolut’s electronic identity verification process. At the time he was not told that further photo ID evidence would be needed.

Following this Revolut changed its know your customer (“KYC”) process which now required new and existing customers to supply adequate photo ID such as a passport or drivers licence. Revolut contacted Mr M about this to inform him what was needed in late March 2023.

Mr M contacted Revolut via chat on 18 April and explained that he didn’t have either of the documents it says it would accept and asked whether his voter authority certificate would meet its requirements and uploaded a copy. Revolut declined to accept this and Mr M in response asked Revolut delete it and asked Revolut when his account will become unfunctional to which Revolut replied in around 5 to 12 weeks. But Mr M then was told on 19 April restrictions had been placed on his account until its review was complete. Revolut completed its review and lifted restrictions on 20 April.

Mr M raised a complaint regarding all of this. Revolut says it took Mr M’s complaint to its KYC team to see if it could make an exception regarding the ID requirements but this was not granted. Revolut said its aware of Mr M’s vulnerabilities and has procedures in place to adapt to his unique circumstances but it has to follow its regulations and procedures and that this doesn’t allow an exception regarding what is considered valid photographic ID.

Revolut informed Mr M on 21 April that the restrictions had been removed and that he was now able to use it as normal – but this wasn’t entirely correct. Although Mr M could use his account and account was verified at the first level, his account remained unverified from the perspective of KYC. Revolut offered Mr M £40 and then £80 to compensate for this – which he rejected and brought his complaint to this service.

Mr M is unhappy that he continues to receive template letters/communications telling him his documents are about to expire when he never supplied any documents when opening his account. He says the ongoing threat of restricting his account is having a severe detrimental impact on his health and that it should’ve been made clear when he opened his account what sort of photo ID would be required.

Following this Revolut agreed to re-evaluate and look to make an exception in Mr M’s case about what ID it will accept from him to meet its KYC requirements. Revolut has asked that Mr M send it his voter authority certificate so it can have its KYC team assess this and see if this will satisfy KYC regulations. If this document is deemed enough, Revolut will lift the ongoing request for Mr M to supply ID on his account.

One of our investigators looked into Mr M's concerns and thought that Revolut's request for ID following the opening of his account to comply with anti money-laundering legislation was reasonable. They thought that the template letters Mr M received stating his documents are about to expire – when he'd never supplied documents – made things confusing and that Revolut may want to consider changing them. But overall thought Mr M would've understood the letters were templated and what they meant in regards to his situation.

They thought the offer of £80 compensation was fair and reasonable to address the distress and inconvenience caused by Revolut's errors in its administration bearing in mind the extent of the inconvenience and distress caused.

Mr M in his last correspondence confirmed his account with Revolut was open and accessible. Mr M has been asked to send in his voter authority certificate as an alternative form of ID so Revolut's KYC team can evaluate whether it is enough to satisfy its requirements and verify Mr M's account – despite repeated requests Mr M has failed to do so.

Mr M doesn't wish to accept Revolut's offer. He says it could have considered making an exception to its ID requirements sooner and wants Revolut to change its processes for customers in a similar position to his and asked for an ombudsman's 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.

I hope that Mr M won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that.

It might be helpful for me to say here that, as we are not the regulator, I cannot make Revolut change its systems or processes – such as how it meets its legal and regulatory requirements regarding customer identities and the administrative process it follows for this. Ultimately, how Revolut runs its business and the processes it has in place are commercial decisions and isn't something for me to get involved with. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

My role is to look at the problems Mr M has experienced and see if Revolut has done anything wrong or treated Mr M unfairly. If it has, I would seek – if possible - to put Mr M back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And while I wouldn't tell a business what its regulatory requirements were and how it needed to meet them – I would expect it to put reasonable measures in place to ensure these requirements (in this case satisfying itself of its customers identity) were met.

I accept Mr M has been inconvenienced by this and distressed as he was unable to provide the type of ID Revolut would accept as he didn't hold either a passport or a driver's license and considered this discriminatory.

But since bringing his complaint to this service Revolut has agreed to make an exception in Mr M's case – albeit after he raised his complaint - and allow him to submit alternative ID to its KYC team to see if that will satisfy its legal requirements. Revolut aren't able to say for certain whether the document Mr M has offered to supply will meet its KYC obligations, and I

appreciate that may leave Mr M feeling insecure about his account. But I don't think Revolut are treating Mr M unfairly – as ultimately without seeing the document first it is unable to ascertain if the document will be acceptable to meet its regulatory and legal obligations.

So overall I don't think Revolut did anything wrong when it requested Mr M provide it with certain information to meet its KYC requirements and I'm satisfied it has now done enough to cater to Mr M's circumstances by agreeing to assess whether alternative documentation could be accepted in Mr M's case. If Mr M hasn't done so already and wishes to continue to use his Revolut account he should supply Revolut with the document he offered and that has been requested.

Furthermore, Revolut has already agreed that it made a mistake in telling Mr M that he account was unrestricted and offered him £80 compensation for the distress and inconvenience this caused. So I don't think I need to make a finding here. What I need to consider is whether the compensation offered to Mr M is enough. And I think it is. I say this as I understand that although Revolut continues to ask for documentation from Mr M to verify his account, he also continues to have unrestricted access to it.

I also understand that Mr M is unhappy about the templated letters he received regarding this – in particular the letters making reference to previously supplied documents. But as I stated above, it is not for me to tell Revolut how it should run its business, including the procedures it should have in place or what it should write in its correspondence. And overall, I think Mr M understood what Revolut required from him and what the correspondence meant for him. So I don't think the detriment Mr M has suffered justifies an uplift on the £80 compensation already offered.

And so it follows I am satisfied Revolut has already done enough to put things right for Mr M and I'm not going to ask it do anything more.

My final decision

For the reasons I've explained I've decided that what Revolut Ltd has already offered to settle Mr M's complaint is a fair way to settle his complaint and I do not require it to do anything more.

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

Caroline Davies
Ombudsman