

## **The complaint**

Mr M complains Revolut Ltd unfairly closed his account and failed to raise a chargeback for a purchase he made. He wants Revolut to reimburse him for the payment he made and pay him compensation for the poor customer service he received and closing his account.

## **What happened**

In May 2023, Mr M asked Revolut to raise a chargeback for a large payment he made through a well-known online marketplace. He said he'd ordered five high end laptops with the intention of reselling them. But once he'd received them, he'd changed his mind. So, he returned the laptops, unopened and in pristine condition.

Mr M said he had asked for a refund from the online marketplace and after not receiving it he decided to raise the chargeback. He provided Revolut with paperwork relating to his order, which included emails from the online marketplace indicating it was processing Mr M's refund having received the items, a post office receipt showing the laptops were sent back and mail tracking information. Mr M told Revolut he'd complied with the returns processes, so he didn't understand why he hadn't received his money back.

Revolut looked at Mr M's chargeback claim. It also decided to review how Mr M was using his account and blocked him from accessing it. Following this Revolut decided to close Mr M's account and wrote to him in July 2023 to let him know it had closed his account immediately. In response, Mr M complained. He asked Revolut to explain why it had closed his account and had failed to pursue his chargeback. Eventually, Revolut told him that it wasn't going to defend his chargeback claim and had closed his account in line with the terms and conditions of the account.

Unhappy with this response, Mr M brought his complaint to our service. He said he has provided all the evidence needed for Revolut to process his chargeback. And he doesn't understand why Revolut has failed to contest the claim with the online retailer. He has argued that he has spent a significant amount of money and it is important that he is refunded. He also wants Revolut to pay him between £500 and £1,000 compensation for the trouble and upset the whole matter has caused him and reopen his account.

An investigator at our service decided not to uphold Mr M's complaint. They found Revolut has important legal and regulatory obligations, and it was reasonable for Revolut to block and close Mr M's account. The investigator also said Revolut had dealt with Mr M's chargeback claim fairly.

Mr M wasn't happy with the investigator's findings. He said Revolut haven't explained why they are not pursuing his chargeback claim and he's pointed to all the information he has submitted to support his claim, which he says was overwhelming in his favour, so his chargeback claim should be successful. He also said he hasn't done anything wrong, so Revolut has closed his account unfairly.

As no agreement could be reached the matter has come to me to decide.

Before issuing my decision, I asked Mr M and Revolut to provide some more information about the review of Mr M's account and the chargeback claim. I thank both parties for their submissions, which I've considered when reaching my 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 appreciate Mr M was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what she said about his complaint. I'd like to reassure Mr M that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks 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. This means I haven't been able to share a lot of detail with Mr M, but I'd like to reassure him that I have considered everything that he's told us.

I'll start by setting out some context for why Revolut reviewed Mr M's account. Revolut are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. The terms of the account also permit Revolut to block an account. This means Revolut is entitled to block and review an account at any time.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Revolut to block Mr M's account. Revolut has explained that this was its standard procedure, and I accept that it was. I'm satisfied that in doing so Revolut were complying with its legal and regulatory obligations. So, whilst I accept, the bank's actions caused Mr M inconvenience and upset when it blocked his account, I can't say Revolut did anything wrong and treated him unfairly in doing so.

I understand of course why Mr M wants to know the exact reasons behind Revolut's actions. And I can see that Mr M sent numerous messages to Revolut via its in app chat facility asking Revolut to explain itself on more than one occasion. But Revolut doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr M the reasons behind the account review and block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr M this information. And it wouldn't be appropriate for me to require it to do so.

Revolut's decision to close Mr M's account was made shortly after it reviewed his account. It might be helpful to explain that following a review, banks and financial businesses sometimes decide to close an account. They are entitled to decide for themselves whether to do business or continue doing business with a customer.

Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to continue to provide an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Revolut have relied on the terms and conditions of Mr M's account when closing it. The terms and conditions outline that Revolut can close a customer's account with 60 days' notice, and in certain circumstances they can close an account immediately. Here they closed Mr M's account immediately. For Revolut to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that Revolut did. So, it was entitled to close the account as it's already done and end its relationship with Mr M. This means I won't be asking Revolut to reopen Mr M's account.

Mr M says Revolut ought to have raised a chargeback and been able to defend whatever the merchant said in response to his claim based on all the information he provided. I can see that Revolut has asked Mr M about the refund and from looking at his account statements that Mr M has received several refunds from merchants over the time he had the account – which includes the online retailer which is involved in this complaint.

I should explain that Revolut doesn't always have to raise a chargeback. There may be a variety of reasons why it doesn't. One of those reasons could be it doesn't think there is a reasonable prospect of the chargeback succeeding. Or it might think raising a chargeback would be inappropriate considering the individual circumstances of a customer and their account. I have carefully considered the outcome of Revolut's review and its basis, as well as its reasons for closing Mr M's account. And, when weighed together, I'm satisfied Revolut's decision not to pursue Mr M's chargeback claim was reasonable. So, I can't say it has treated Mr M unfairly when it declined his chargeback claim.

Finally, I've reviewed how Revolut communicated with Mr M throughout the review of his account and after he's raised his chargeback claim. I've looked at the online chat responses Revolut gave regarding everything. The messages Mr M received were often standardised and repeated. But I doubt Mr M would have been satisfied by Revolut's response even if it had been clearer about what had happened with the chargeback. So, I think it's likely that Mr M would still have experienced much of the same frustration and upset that he went onto experience. So, I'm not going to ask Revolut to do anything to resolve this aspect of Mr M's complaint.

In summary, for the reasons I've given, I'm not upholding Mr M's complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

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

Sharon Kerrison  
**Ombudsman**