

The complaint

Ms Q complains Revolut Ltd unfairly blocked her account and refused to release the funds they held. She wants the funds returned to her and compensation for the impact their actions had on her.

What happened

Ms Q held an account with Revolut. In April 2024 Revolut blocked her access to the account to conduct a review.

Revolut asked Ms Q questions about several payments that credited her account in October 2023. Ms Q says the payments were from a customer paying for catering services, as she runs a catering company. She supplied a copy of the invoice she says was for the service her company provided.

Revolut reviewed the information, and decided it wasn't satisfactory. They closed her account and sent the balance she held at that time to a bank who made a recall request.

Ms Q complained to Revolut who said they were able to block her account and had acted in line with their legal requirements. Unhappy with their response Ms Q brought her complaint to our service.

Our investigator concluded Ms Q's complaint shouldn't be upheld. In summary they said:

- Revolut acted in line with their legal and regulatory obligations when blocking and closing Ms Q's account.
- It was understandable why Revolut weren't satisfied by the explanation and information Ms Q provided in relation to the payments.
- Revolut told Ms Q they sent the balance in her account to a third-party bank following a recall request. As Ms Q hadn't showed her entitlement to the payments she was asked about, Revolut's actions were fair.

Ms Q disagreed with the outcome our investigator reached. She said the money in her account at the time of the account block was her salary, she didn't force the person who made the payments to make them, and she had communicated with them.

Ms Q's complaint has been passed to me to make a final decision in my role as an ombudsman.

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've decided not to uphold Ms Q's complaint. I'll explain why.

Revolut have important legal and regulatory obligations to meet when providing accounts. They can broadly be summarized as a responsibility to know their customer, monitor accounts, verify the source and purpose of funds, as well as detect and prevent other harm, including harm that might be caused to third parties. Periodically or where a concern arises, account providers will usually conduct a review and sometimes block accounts until the review completes or their concern is allayed. Depending on the results of their review, they then might take further action such as closing an account or in some instances they may not return funds they hold to a customer.

Revolut acknowledge they received a recall request from another account provider. As a result, they reviewed Ms Q's account and decided to block the account. I'm satisfied based on the information Revolut held that their actions were reasonable and done to meet their broad legal and regulatory obligations.

Revolut asked Ms Q to evidence her entitlement to certain payments received into her account in October 2023. She said the payments were for a catering service she agreed to provide, and she supplied a copy of an invoice. Revolut considered her response alongside the information they held and weren't satisfied she or her company were entitled to the payments. They concluded their review, closed Ms Q's account, and sent the funds they held back to the bank that requested the recall.

I've considered the information Revolut held and their reasons for their actions. And based on that information, I'm satisfied they closed Ms Q's account fairly and in line with their terms and conditions. I'm aware Ms Q says the money held in the account represented her salary, so I have considered whether Revolut acted fairly by not returning the balance to her.

Ms Q sent what she says is a copy of the invoice and receipt for the payments Revolut asked her about. Although the payments were for her limited company, she said she received the payments into her personal account because at the time of acknowledging the contract she didn't have her business details to hand, and she had received payments of this type into her account in the past. But she was unable to provide any records of messages or written communication with the customer.

I have weighed what Ms Q provided alongside the information Revolut held and their reasons for paying the account balance to another bank account. Ms Q may want to know the content of that information, but I am treating this in confidence.

I may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Revolut treated Ms Q fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

Based on the nature of the information Revolut provided I'm satisfied it was reasonable for them to doubt the legitimacy of Ms Q's explanation for the payments and what she presented. And in light of the nature of that information, I consider their action to use the funds held in the account to send to the bank requesting a payment recall was reasonable.

I'm sorry to hear how Ms Q says she was affected by not having the funds in the account released to her, and the impact this had on her and her family. But as I don't find Revolut

acted unreasonably, I am not awarding her compensation.

My final decision

My final decision is I am not upholding Ms Q's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Q to accept or reject my decision before 30 September 2024.

Liam King
Ombudsman