

## The complaint

Mr U complains that Revolut Ltd ('Revolut') closed his account and didn't give him a reason why. He wants an apology and an explanation.

## What happened

I issued a provisional decision on this complaint last month where I said that I wasn't considering upholding it. An extract from that decision follows:

*"Mr U opened an account with Revolut in 2018.*

*In November 2023 Revolut told Mr U that it needed him to resubmit his identification documents. Mr U submitted a copy of his driver's licence but on the same day Revolut said it decided to close his account. It said it would close the account in January 2024, so it gave Mr U 60 days' notice but said that the account would be restricted in the meantime. Revolut wrote to Mr U to say the account would be closed on 23 January 2024 and the reason for this was because it hadn't been able to verify his identity during the verification process. Mr U wasn't happy about this and complained.*

*Mr U brought his complaint to us on the same day and before Revolut issued its final response to his complaint. He said he wanted penalties for Revolut, an apology and also an explanation.*

*Mr U continued to liaise with Revolut via its online chat function. He told Revolut that the decision to close his account was made very soon after he provided his identification documents and seemed automated. He asked it to reopen his account and issue an apology. Revolut then logged a formal complaint on Mr U's behalf. Mr U also asked for copies of all the information Revolut had about him, including internal communications about his account, by making a data subject access request (DSAR). He also wanted his data erased.*

*Over the following days and weeks Mr U continued to liaise with Revolut via its online chat function. Mr U asked for updates but he was told his account was being validated. He was also asked to resubmit his identification documents. Revolut said it needs to comply with legal and regulatory obligations which require it to have up to date documents. On 1 December 2023 during a conversation with Mr U it told him that it wasn't able to verify his identity. It said he could withdraw his funds via external bank transfer. The following day it confirmed that further to carrying out a review it decided to no longer offer banking services to Mr U. It said it no longer needed further documents from him.*

*Around the same time Revolut wrote to Mr U to say that its reason for closing the account was that his activity wasn't compatible with its terms and conditions. In relation to his DSAR, it said that it had provided all the information Mr U had requested but had omitted or redacted certain confidential information such as personal data which might relate to other individuals who did not consent to have their personal data shared with him. It also said it wasn't able to comply with his request for data erasure and said it is legally required to retain certain data relating to its customers for a prescribed period of time.*

*Mr U said he was entitled to his personal data and that this included internal emails regarding his case. He also said he was entitled to know the reason behind his account closure especially as it seemed to be an automated decision which didn't indicate that a thorough review had been done. He was also unhappy his request for the erasure of his data wasn't being processed.*

*He also said that he hadn't been reimbursed for his plan for which he paid a monthly fee. Revolut said that it wasn't able to provide a pro-rata refund. It said that the account was still being used during the period for which the latest payment had been made. Revolut also said it had put his requests to its data protection team.*

*In January 2024 Mr U told Revolut he wanted his funds to be sent to him via cheque but it said it doesn't issue cheques so this wasn't possible.*

*Revolut issued a final response letter on 8 January 2024. It said that its decision to review and close the account was in line with its legal and regulatory obligations as well as its terms and conditions. Mr U didn't feel this response was adequate or that it addressed his points about his data or the refund he had requested.*

*One of our investigators reviewed the complaint but didn't think it should be upheld. She thought Revolut's actions were in line with its legal and regulatory obligations and its terms and conditions. She also thought it acted fairly and reasonably in relation to the transfer of Mr U's funds to an external account rather than issuing a cheque. She thought Mr U would have to raise his data protection and refund complaints separately.*

*Mr U didn't agree and asked for an ombudsman's decision. He said he had tried to re-upload his documents via Revolut's app but was getting an error message and insisted that he should know the reason why his account was closed.*

*Our investigator didn't think re-uploading the documents would have changed Revolut's decision. She also said that Revolut wasn't obliged to give Mr U the reason for the closure.*

*Mr U said that Revolut had lied about him having access to his account and the benefits of the plan. He said he paid for the plan up to 29 November 2023 but the account was restricted on 24 November 2023.*

*The matter was then passed to me to decide.*

**What I've provisionally 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'd like to start by explaining 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 that I haven't been able to share a lot of detail with Mr U, but I'd like to reassure him that I have considered everything.*

#### *The account closure*

*Turning to Revolut's decision to close the account, it might be helpful if I start off by explaining that our service doesn't punish or fine businesses, and it's also not our place to say that a procedure the business follows is incorrect. Only the industry regulator, the Financial Conduct Authority (FCA), can do this. As our investigator said, Revolut has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customers, monitor accounts, verify the source and purpose of the funds as well as detect and prevent financial harm. Revolut may need to review accounts to comply with these responsibilities.*

*I've also considered the basis for Revolut's review, which I find was legitimate and in line with its legal and regulatory obligations. I should also add that I don't think Revolut is under any obligation to disclose to its customers what triggers a review of their accounts. For this reason, I can't say that it's done anything wrong by not giving Mr U this information. And it wouldn't be appropriate for me to require it to do so.*

*Revolut's terms and conditions say that it can close an account by giving notice or with immediate effect in certain circumstances.*

*Having looked at all the evidence and the terms and conditions I'm satisfied that Revolut was acting fairly and reasonably when it decided to close the account with immediate effect. Revolut restricted the account between November 2023 and January 2024 and I've therefore considered this to be an immediate closure. Revolut has provided some further details of its decision-making process which, unfortunately, I can't share due to its commercial sensitivity. But I've seen nothing to suggest that Revolut's decision around closing Mr U's account was unfair.*

#### *The DSAR*

*Moving on to the DSAR, I should explain that it's not the role of our service to decide whether or not a business has breached data protection laws- that's the role of the Information Commissioner's Office (ICO). My role is to consider whether Revolut acted fairly and reasonably in responding to Mr U's DSAR request. It isn't the role of this service to comment on the content of a DSAR. If Mr U is unhappy with the information provided he should contact the ICO.*

*My understanding is that, under the relevant regulations, DSAR requests should be responded to without undue delay and at the latest within one month of receiving the*

*request. From what I have seen Revolut provided the information to Mr U without delay. I thought this was fair and reasonable.*

*Mr U is unhappy that the DSAR response he received from Revolut didn't include documents he would have wanted to see such as Revolut's internal investigations. He added that the information provided to him does not answer his question as to why his account was closed.*

*As I said above, it's not within my remit to look into the content of the DSAR response. But in terms of Revolut not sharing certain information or documentation with Mr U in general, what I will say is that, as I said above, I don't think Revolut is under any obligation to tell a customer what triggers a review or what leads to a closure of their account. Furthermore, banks may have documents which are confidential for a number of reasons, some of which I mentioned above.*

#### *Erasure of data*

*Mr U told Revolut that he wants the data it holds about him destroyed. Revolut says it needs to keep information about Mr U due to its legal obligations.*

*Revolut originally recorded Mr U's data for the purpose of opening an account – it was part of its account opening process. There are many activities related to providing an account that Revolut needs to carry out. For example, fraud, identity, credit searches and money laundering checks. These are all activities related to Mr U opening an account, which Revolut must complete to comply with its legal and regulatory obligations.*

*As Mr U has pointed out, the GDPR (General Data Protection Regulation) sets out the right to be forgotten. But the regulations also specify that this is not an absolute right, and only applies in certain circumstances. In brief, Revolut is entitled to keep Mr U's data. While there is a right to erasure under Article 17 of the GDPR, this is not an absolute right. The GDPR says the right to be forgotten does not apply if processing by a business is necessary for several specific reasons, and these include if there is a legal obligation to retain the information.*

*Revolut is bound by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017/692. Under these regulations it has a requirement to undertake customer due diligence when establishing a business relationship (regulation 27). Where regulation 27 applies, it must verify the customer's identity (regulation 28). Any information obtained under regulation 28 must be kept for five years. As a result, Revolut is required to keep the documents provided by Mr U despite his request to delete it under the GDPR.*

*Having looked at all the information available to me, including Revolut's actions and the information it's provided I don't think I can say that Revolut has acted unreasonably or unfairly in coming to that conclusion. I can also see that it followed its usual procedures handling data on a closed account. So, I won't be asking it to delete Mr U's data.*

*I understand that Mr U would also like a refund of his account fees for when he wasn't able to use his account. I have considered this but it wouldn't be appropriate for me to award Mr U any compensation for this since I don't believe Revolut has acted inappropriately in taking*

*the actions it did when it blocked and reviewed the account. Also, as far as I am aware, the terms and conditions don't refer to Revolut having to issue a pro-rata refund in these circumstances.*

*Overall, I appreciate that Mr U would have been frustrated and also inconvenienced by Revolut's decision to close his account. And it must have been upsetting not to be told exactly why. So I appreciate he will be disappointed with my decision. But for the reasons I provided above, I think Revolut's actions were fair and reasonable."*

Revolut didn't respond to my provisional decision but as I was not upholding the complaint, which is the same decision it reached when it considered it, I decided to proceed with my final decision.

Mr U responded and said he didn't agree with my provisional decision. He made a number of comments including the following:

- The fact that neither we nor Revolut could tell him why his account was closed breaks the percept of equalities of arms which requires that there be a fair balance between opportunities afforded to parties involved in litigation. It also shows that neither party has correctly responded to his DSAR requests. Nowhere in the GDPR does it mention that commercial sensitivity is a valid reason for not fully complying with a DSAR.
- In relation to his request for his data to be erased I did not address the issue of data that isn't related to his identity which should be deleted. And I didn't address the fact that the data in question shouldn't be used for any purpose other than being stored should the government ask for it.
- Given that no reason was given for why his account was closed, Revolut hasn't fulfilled its services and so he expects to be reimbursed his premium plan. He found my reasoning in relation to this point to be lacking and also biased. He said getting paid for a service which isn't provided is tantamount to fraud and in contract law any ambiguity favours the non-drafting party.
- If considering whether Revolut complied with his DSAR or not isn't within my remit, then he considers my opinion to be an unqualified one and doesn't want it to be included in the decision in light of its detrimental nature to this complaint and others.

### **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 U would like to know the reason why his account was blocked but as I explained in my provisional decision, this isn't something I can share with him as this information is commercially sensitive. Mr U said that the GDPR doesn't mention commercial sensitivity, however, the GDPR isn't the only regulation I considered when reaching my decision. When making a decision, I take into account good industry practice as well as various relevant laws and regulations. And some rules and regulations may override others depending on the circumstances. In these circumstances, I thought that for Revolut to

comply with its legal and regulatory obligations it didn't have to disclose the reason for the account closure to Mr U. I should also point out that bringing a complaint to our service doesn't amount to (commencing) litigation. We are an alternative to the courts.

I have also already mentioned that Mr U can take his complaint to the ICO if he doesn't feel that Revolut has complied with his DSAR. In relation to any DSAR he may have made to our service this is not something I am able to address here as this is a decision solely regarding Mr U's complaint against Revolut. Mr U will have to raise any queries he may have about his DSAR to us with the relevant team.

From what I have seen, when Mr U was liaising with Revolut via its chat function regarding his account being closed he asked it to delete all his data. Mr U says that Revolut should delete whatever data doesn't relate to his identity. I can't see that this is something Mr U mentioned to Revolut when he complained to it but even if he did, I think this is an issue that will be best addressed by the ICO.

I was sorry to hear that Mr U considers my reasoning regarding his request for a refund to be lacking but also biased. As I said in my provisional decision, as I didn't think Revolut had done anything wrong in the way it reviewed and closed the account I didn't think a refund was due.

In relation to Mr U's final point, I don't think there is anything further to add other than to say in my decision I have clearly stated which matters are within my remit and which ones are not. Also, our decisions do not set a precedent for future decisions.

My provisional findings along with any further comments here are now the findings of this my final decision.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 12 September 2024.

Anastasia Serdari  
**Ombudsman**