

## **The complaint**

Mr P complains that Revolut Trading Limited (“RTL”) unfairly closed his trading account, which led to him incurring losses.

Revolut Trading Limited are an appointed representative of Resolution Compliance Limited.

## **What happened**

Mr P held an account with Revolut Bank UAB, based in Lithuania. As part of this account, he also had access to an RTL account, which he used to invest some of his funds. But in September 2022 his Revolut and RTL accounts were restricted.

In October 2022 Revolut contacted him to say they would be closing his account. RTL also sent him notification that they’d be closing the account in 60 days. They said he would have to liquidate his investments with them before this time was up. Mr P however contacted them to say he didn’t want his shares to be sold, as he would be losing approximately \$7,000 USD.

On 5 December 2022 Mr P’s investment account was liquidated, and the value of the investments returned to him. Mr P complained to RTL, but they responded to say they’d closed his account in line with the terms of his account.

Mr P then referred his complaint to our service. He was also concerned he had not received dividends he’d expected. One of our investigators looked into it but felt they couldn’t see that RTL had demonstrated that the reason for closing his account was fair. They weren’t minded to say that RTL should cover Mr P’s investment losses, as Mr P was given ample opportunity to liquidate his investments himself. And they were satisfied that the dividend payments had been made. Overall, they thought RTL should pay Mr P £200 compensation.

Both RTL and Mr P disagreed with this. RTL said they had acted in line with the terms of their account. Mr P said RTL had sold his assets without his consent, and they should have allowed him more time to sell and get his investment back.

As Mr P and RTL didn’t agree with what our Investigator said, the complaint was passed to an ombudsman to decide. Another of our ombudsmen then sent both parties their provisional decision setting out what they were planning on deciding. For ease of reference, here is what they said:

*“I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.*

*For clarity I’m looking solely at the actions of RTL in relation to Mr P’s trading account, and not any decisions made by any other firms Mr P may have had accounts with.*

*The terms of Mr P’s account say that they can close accounts by providing at least 30 business days’ notice. And once notice has been given then the consumer must close out their positions – so in effect sell their assets – before the end of the notice period. No other*

*instructions would be accepted, and if the positions haven't been closed by the notice period, then RTL will be entitled to liquidate the positions without further consent being sort.*

*In this case RTL sent Mr P a message on 3 October 2022, giving him 60 days' notice of the closure, which is more than the required notice. I can also see that Mr P was in contact with RTL about the impending closure, which tells me the notice was received and understood.*

*RTL aren't under any specific obligation to tell Mr P the reason for closing his account and haven't done so here. I've considered all the available information, and on balance I'm persuaded that it was reasonable for RTL to decide to withdraw their account with Mr P. Firstly, I'm aware his Revolut account was closed at the same time. The closure of that account falls outside of the scope of our service, but I understand it has been looked at by a comparable Alternative Dispute Resolution scheme, who did not ask the bank to do anything further.*

*The terms of the RTL account say you require a Revolut electronic money account to pay for trades, and to receive any funds from the closing of positions. As the electronic account was closed it would seem Mr P would no longer be able to operate the RTL account. In any event as the RTL account was managed through the Revolut app, and this had also been withdrawn, then Mr P wouldn't have been able to effectively manage the investments held with RTL anyway. On that basis, I'm persuaded that providing him notice of the closure and allowing him to close off his investments was appropriate. On balance, I don't see the closure of the account as unreasonable.*

*I appreciate Mr P was asking for more time before selling his assets, so that he wouldn't incur a loss compared to what he paid for them. But this isn't something RTL were obliged to provide him. The notice and subsequent communication were very clear about when the account would be closed, and that if the assets weren't sold then they would be liquidated. I've seen no indication that Mr P was trying to transfer the assets to another trading firm – he's said he didn't have another trading account and hasn't opened one since.*

*As such, I'm satisfied it was reasonable for RTL to liquidate Mr P's account as they did. I can see the sales were carried out in line with their policies on best execution, achieving a reasonable price for Mr P's assets. I'm therefore satisfied they've met their obligations to him and treated him fairly. I appreciate Mr P received less back than he initially paid in, but this is the nature of investments. I don't see it as reasonable to ask RTL to cover his losses.*

*Looking back through the account history, I'm satisfied that Mr P has been paid the dividends as expected. So, I don't see that RTL need to do anything more there.*

*Overall, while I can see Mr P is obviously disappointed at his account being closed. But I can't say RTL have been unfair or unreasonable in deciding to close his account and liquidate his assets. As such, I'm not asking them to do anything further"*

RTL has not responded, but Mr P has. He has made several points, of which I'll summarise the key points here:

- His account was restricted without any reason in September 2022
- He has invested all his family's savings on the trading platform
- During the time of the account restrictions his stock value fell substantially
- He asked RTL over a hundred times, and sent over 300 emails, to keep his trading platform open and not sell his stock automatically on or before 5 December 2022, but

it didn't listen

- Had RTL given Mr P an additional month before closing the account he would have recovered his investment without suffering the significant financial loss he did
- He was forced into suffering this loss by RTL's actions
- He only got his dividends paid after chasing RTL for a month
- Revolut didn't give him all his crypto token back when closing the account
- He never received responses to over 100 emails in relation to his complaint

As both parties have had an opportunity to make further comments and provide any new evidence, and the deadline to do so has passed, I will now decide this complaint.

### **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.

Having done so, I've decided to not uphold this complaint. I've done so for the same reasons as those in the provisional decision – as above.

I note that Mr P feels strongly that he wasn't given reasonable opportunity to sell his shares around a month later from when it was closed. He says this would have led to him not sustaining a significant loss on their value as the financial markets had recovered.

I've also closely looked at RTL's terms and conditions and note that it wouldn't be able to continue to provide its trading account if the third-party account it was accessed through was closed. That's because RTL's notice and subsequent communication were very clear about when the account would be closed, and that if the assets weren't sold then they would be liquidated.

I'm also satisfied that Mr P was given reasonable notice of the accounts closure. So I don't think RTL did anything wrong here - though I can understand why Mr P feels so strongly about this given they were his family's savings.

I'm also satisfied that Mr P was paid his dividends in reasonable time given what was going on.

This decision only deals with the acts and omissions of RTL, so I can't consider any complaint points that relate to any other business.

Lastly, Mr P complains that he sent hundreds of emails to RTL without response. RTL was obligated to respond to his complaint which it did when it sent him its final response. Mr P was told he could refer his complaint to this service if he didn't agree with what RTL said. And that is what he did. So I don't think RTL has acted improperly here.

### **My final decision**

For the reasons above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 27 December 2023.

Ketan Nagla  
**Ombudsman**