

The complaint

Mr H is unhappy with Skrill Limited's decision to close his account and retain his funds.

What happened

In April 2022, Mr H opened an account with Skrill and made deposits into it. Mr H opened a further account using a different email address. Following this, Skrill conducted a review of Mr H's account. Skrill decided to close Mr H's accounts with immediate effect. At the time Mr H's balance was around \$1,000 USD.

Skrill asked Mr H to provide a bank statement, ID document and a selfie photograph as part of its verification process, so that it could return Mr H's balance to him via an account he had with another bank. The documents Mr H provided failed that verification check. So Skrill didn't release Mr H's balance.

Mr H was unhappy about the actions taken by Skrill, so he referred a complaint to this service. It was looked at by one of our investigators who said Skrill hadn't done anything wrong when it had closed his account. But she said that Skrill should return Mr H's balance back to source or to him within sixty days. Mr H said he'd be happy for Skrill to send the money back to where it came from – which was his friend's account who also had a Skrill account.

He said he's submitted various documents including bank statements and doesn't understand why Skrill won't release the money in the account back to him. He wants to be told exactly what is wrong with the documents he's submitted to Skrill. But at the end of the day, he just wants his money back.

Skrill said it wasn't happy to release the money back to Mr H. But said it would return the money to another Skrill account.

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'll deal first with Skrill's decision to close Mr H's account. As the investigator has already explained, it's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Each financial institution has its own criteria and risk assessment for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a very good reason to do so, this service won't usually say that a financial business must keep customer or require it to compensate a customer who has had their account closed.

I know Mr H is upset that Skrill closed his account. But having looked at all the information available to me, including Skrill's actions and the information it's provided I'm satisfied that Skrill had sufficient grounds to close Mr H's account immediately and did so in line with the terms and conditions when it closed the account. So, I can't say Skrill has treated Mr H unfairly when it decided it no longer wanted him as a customer and closed his account.

The crux of Mr H's complaint is that he wants the funds remaining in his account, which is now just under £900 USD returned to him. This is because Skrill deducted an administration fee which is set out in its terms and conditions. But I don't intend to comment on this point. Mr H.

In order for Skrill to be able to release Mr H's funds, he had to complete Skrill's verification process. I can see that Skrill has clearly explained this to Mr H on more than one occasion and told him what he needed to do in order for the money in his account to be released to him. So, I'm satisfied that Mr H understood what he needed to do in order to satisfy Skrill's request. I'm also satisfied that Skrill has these processes in place in order to comply with its legal and regulatory obligations when providing accounts to customers. So, I can't say Skrill have done anything wrong by asking Mr H to provide the documents. And withholding the funds in the account until Mr H was able to provide acceptable paperwork and complete this process as Skrill need to ensure they're complying with their obligations.

I appreciate that Mr H has supplied Skrill with a number of documents over a period of months. And that not having access to the funds has caused him trouble and upset. But I can also see that Skrill has told Mr H exactly what he needs to provide in order for the funds to be released to him. Skrill has also confirmed that the documents provided by Mr H to date aren't acceptable. It was up to Mr H to provide acceptable information necessary in order to be sent the funds. I've looked at the paperwork Mr H sent to Skrill, and I don't think it was unreasonable that Skrill refused to release the funds to him.

I know Mr H wants to know exactly what the problem was with the documents he provided Skrill. I would add too that our rules allow us to receive evidence in confidence. We 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. Some of the information Skrill 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 H, but I'd like to reassure him that I have considered everything.

Skrill has recently offered to send the funds in Mr H's account to another Skrill customer who is known to Mr H. I can see that Mr H has said he is happy for this to happen. I think this is a reasonable and fair course of action for Skrill to take and resolves this aspect of Mr H's complaint. So, I'm not going to ask them to do anything else.

In summary, I recognise how strongly Mr H feels about what's happened. I don't doubt it was a frustrating and worrying time. So, I realise Mr H will be disappointed by my decision. But overall, based on the evidence I've seen, I can't say Skrill have acted unreasonably and treated Mr H unfairly in taking the actions it did when it closed his account and asked him to provide information.

My final decision

Skrill Limited has already made an offer to send the funds in Mr H's account to another Skrill customer – the details of which are known both to Mr H and Skrill. I think this offer is fair in all the circumstances.

So, my final decision is that, to resolve Mr H's complaint, Skrill Limited should send the funds remaining in Mr H's account to the nominated Skrill account.

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

Sharon Kerrison
Ombudsman