

## **The complaint**

Mr H complains that Skrill Limited closed his account and hasn't released his funds. He would like his money returned and his account reinstated and an explanation.

## **What happened**

Mr H opened an account with Skrill on 21 April 2021.

Skrill requested some identification documents from Mr H as part of their "Know your customer" procedures on 23 April 2021. He provided this, but Skrill wasn't satisfied with the documents provided. Mr H provided Skrill with more documents. But Skrill proceeded to close the account with immediate effect on 26 April 2021. They charged Mr H an administration fee of €111 which was the entirety of Mr H's balance.

Mr H says a Skrill employee told him he would get his money back.

Mr H complained to Skrill. Skrill said Mr H had agreed to the terms and conditions of the account. Mr H had reached the number of transactions requiring him to be verified in order to use his account further. The account was restricted pending verification. Skrill said they were entitled to request this to comply with their legal and regulatory obligations. They had closed the account following their terms and conditions. These allowed Skrill to charge an administrative fee. They said their staff hadn't said he would get a refund.

Mr H was unhappy with Skrill's response, so he complained to our service. One of our investigators looked into the complaint. She didn't think Skrill had acted unfairly when it closed Mr H's account and charged him a fee of €111.

Mr H was unhappy with the view. He said the account was less than one month old, so they weren't entitled to charge an admin fee. Our investigator said there was nothing in the terms to suggest Skrill could only charge an admin fee on accounts older than three months.

As there was no agreement the matter has come to me to decide.

## **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.

### *Account review and closure*

Financial businesses, like Skrill, are subject to a number of legal and regulatory requirements. These mean they have to monitor their customers' accounts and may need to review an account at any time. While that is happening, they may need to block or restrict any payments.

This is reflected in Skrill's terms and conditions. These say Skrill can block an account for

security reasons. The terms and conditions of the account also allow Skrill to close and suspend accounts immediately in some circumstances.

In Mr H's case, I'm satisfied that Skrill was acting in line with its legal and regulatory requirements when it reviewed Mr H's account. The account was newly opened and Skrill needed further proof of identification from Mr H in line with their existing processes, so I'm satisfied they were entitled to ask for the information they requested.

As the investigator 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. Unless there's a good reason to do so, this service won't usually say that a financial institution must keep a customer or require it to compensate a customer who has had their account closed.

I've looked at the evidence and I'm satisfied Skrill were entitled to close the account as they had legitimate concerns. I'm satisfied that Skrill didn't act unfairly when it reviewed and closed Mr H's account. So, I won't be asking it to reinstate it.

### *Fees*

I know Mr H's main concern is that Skrill have charged him €111 as an administrative fee to close his account. And that the amount was the total balance in his account. Mr H has requested his balance back.

Mr H has suggested Skrill staff told him he would get a refund, but I've seen no evidence to support this.

I appreciate Mr H is unhappy with the situation. I have looked at the terms and conditions of the account which Mr H agreed to when he opened his account with Skrill. They are clear that Skrill can charge up to €150 if they close a customer's account. In this case they took the balance in the account to cover the fee for closing Mr H's account.

Mr H feels that charging him a fee is unfair especially because the fee represents the totality of his balance. But having looked at the terms and the circumstances of this case I don't agree. Skrill are entitled to charge the fees based on the terms of the account which Mr H agreed to. Further I've already said I think Skrill acted fairly when they reviewed and later closed Mr H's account, so I think based on the terms and the evidence I'm satisfied Skrill haven't treated Mr H unfairly in charging the fee and I won't be asking Skrill to waive the fee.

In summary I'm satisfied Skrill were entitled to close Mr H's account and apply the fee to close his account. I won't be asking Skrill to do anything here.

### **My final decision**

For the reasons mentioned above I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 April 2023.

Esperanza Fuentes  
**Ombudsman**