

The complaint

Mr T complains that Skrill Limited unfairly charged him inactivity fees which depleted the balance of his digital wallet account.

What happened

Around March 2016, Skrill restricted Mr T's access to his account and later decided that it could no longer offer its services to him. Skrill also informed Mr T that it would later advise him on how he could withdraw his funds – at the time, the balance in Mr T's account was well over \$4,000. Mr T says he never received information on how to withdraw his funds. He says he since tried to log into his account several times but was unable to do so, even after contacting Skrill for help.

Earlier this year, Mr T contacted Skrill and says he found out that the business had been charging him inactivity fees for several years. As a result, Mr T's account had been reduced to a nil balance. After he complained, Skrill responded that it had charged Mr T the fees in line with its terms. Skrill says it didn't receive any contact from Mr T until January 2022 and could see only one log in attempt in 2019.

Mr T asked this service to get involved – he wants the funds returned to him. Our investigator decided to uphold the complaint, asking Skrill to refund Mr T's balance and pay him £150 compensation. The investigator couldn't see that Skrill had followed up with Mr T as agreed and said that it was Skrill's actions that led to Mr T's account becoming inactive. Although the investigator acknowledged that Mr T didn't chase up the withdrawal of his balance with urgency, he concluded that Skrill should've done more to arrange the return of the funds. The investigator added that Skrill should've contacted Mr T about the inactivity on his account, to let him know that he'd incur fees.

Skrill didn't agree so the complaint has been passed 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.

It's apparent that it was Skrill's decision to stop providing its services to Mr T. In its notification, Skrill told Mr T that it would contact him to explain how he can withdraw his funds. I can't see that it did. In its final response, Skrill said it asked Mr T to provide a copy of his identification so that he could withdraw his funds. Skrill's submissions to this service includes an email Mr T seems to have sent around the time, suggesting he'd sent a copy of his passport and a utility bill. So it seems to me that Skrill had been given the information it needed at the time to release Mr T's funds back to him. In my opinion, Skrill should've allowed Mr T to have access to these funds as quickly as possible and it acted unfairly by failing to do so.

Skrill says it charged Mr T inactivity fees in line with its terms. I can see from the copy of the terms Skrill has sent us that it does set out when such a fee would be charged. Skrill says its

terms don't require it to notify Mr T before charging inactivity fees. I should point out that, as much as the terms are relevant here, my powers require me to consider what is fair and reasonable.

As Skrill says, it hadn't heard from Mr T since its email of March 2016 until January this year. Skrill says it began charging inactivity fees from around August 2016. I think it was unreasonable for Skrill to have done so without informing Mr T and giving him the opportunity to take steps to prevent the charges. I say this because it was Skrill's decision to stop providing a service to Mr T and, around this time, it restricted Mr T's access to his account. So Mr T couldn't access his account to carry out any transactions or, more importantly for him, arrange to move the funds himself. Therefore, in essence, Skrill's actions were what caused the account to become inactive.

Skrill should've recognised that it needed to do something, given it hadn't heard from Mr T since its last communications with him. And it should've taken steps to reach out to him and continue the process of giving him access to his funds. I find it unreasonable that Skrill made no attempt to contact Mr T at all. Had it done so, it's likely Mr T would've withdrawn his funds and could have avoided being charged inactivity fees. Instead, Skrill unfairly charged him the fee over several years without any notification, until his account reached a nil balance.

I acknowledge Skrill's submission that its terms do not require it to notify Mr T. But, in my opinion, the absence of such a requirement in its terms doesn't make it reasonable for Skrill to avoid contacting Mr T. And, although Skrill sent Mr T a general letter about changes to its inactivity fee, I don't think this was specific enough for Mr T to have been reasonably made aware that Skrill had been charging him an inactivity fee. So I can't agree that this approach was fair.

Skrill suggests that Mr T's limited attempts to log into his account or contact Skrill himself demonstrates a lack of interest in the funds that remained. Mr T says he tried multiple times to log in and reached out to Skrill for support when his log in attempts failed. Skrill's records suggest that Mr T only attempted to log in once since 2016. I can't say for certain which version of events is accurate, but I have seen copies of emails from 2017 and 2019 between Mr T and Skrill, indicating he'd attempted to get support from the business.

Nevertheless, I don't think that Mr T's alleged lack of interest in the funds is important to my decision. Although it's possible Mr T could've acted with more urgency, I still think Skrill should've done more to help Mr T withdraw his funds as well as avoid inactivity fees.

So I've decided to uphold this complaint because Skrill acted unfairly when it failed to help Mr T withdraw his funds and because it didn't do enough to prevent his balance being lost to inactivity fees.

Putting things right

To put things right, Skrill should refund Mr T the balance of his account as it was before it began charging an inactivity fee. Based on the account history I've seen, I understand this to be \$4,448.98. I haven't seen anything that makes me think there's good cause for asking Skrill to pay interest on top of this, so I won't be making an interest award.

Skrill should also pay £150 compensation to Mr T for the inconvenience caused.

My final decision

I'm upholding this complaint. Skrill Limited should settle this complaint in line with what I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 10 January 2023.

Abdul Ali
Ombudsman