

The complaint

Mr H complains that Skrill Limited incorrectly processed a number of withdrawals he tried to make, which meant the money never credited his other account.

What happened

In mid-to-late 2021, Mr H tried to make a number of withdrawals from his account with Skrill to an account he held with another bank. The withdrawals left his Skrill account, but never credited his account with the other bank. So Mr H complained to Skrill that it hadn't processed the withdrawals correctly.

Skrill investigated but said its records showed it had processed the payments correctly. It suggested Mr H chase the payments with the other bank. But Mr H wasn't satisfied with Skrill's response, so referred his complaint to our service.

One of our investigators looked at the case. During our investigation, the other bank said it had found the withdrawals had been paid into another of its customers' accounts but it couldn't now remove them. And our investigator said the evidence suggested the withdrawals had gone to the wrong account as a result of an error by Skrill. So they thought Skrill should refund the money Mr H had lost. Skrill disagreed with our investigator, so the complaint has been passed to me.

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.

Skrill has said that Mr H made a number of successful withdrawals from his Skrill account in June 2021. But the debit card he used to make those withdrawals expired at the of June 2021, so when he wanted to make a deposit into his account in early July 2021, he had to set up a new payment.

Skrill says Mr H set up a new payment using a new debit card from his other bank, and chose to save these card details on Skrill's system. But the deposit he then tried to make with these new card details failed, and so he had to set up a second new payment when he tried to make the deposit again a few minutes later. And he again chose to save those card details.

The deposit Mr H made using the second new payment he set up was successful, so Skrill says these card details were saved for him to use in future. And Mr H was able to use these card details to make later successful withdrawals to his account with the other bank in both July and August 2021.

But Mr H was also able to use the card details from the first failed deposit again when he tried to make other withdrawals in July and October 2021 – and it is these withdrawals which never reached his account with the other bank.

Skrill says it doesn't know how Mr H was able to use the card details from the first failed deposit again but, from what it has said, it appears these details should have been removed and not available for him to use after the first attempted payment failed. So I think it's likely that an error by Skrill meant that these payment details were still available to Mr H when they shouldn't have been.

And so if the failed payment details had been removed, as I think they should have been, I think Mr H would have made the withdrawals successfully and wouldn't have lost the money he now has. So I think Skrill should refund the withdrawals that were made from Mr H's account. And as Mr H has been denied the use of this money for some time, I think Skrill should pay 8% interest on this refund, from the date of the withdrawals until the date of the refund.

The other bank has said the missing withdrawals have now been found in one of its other customers' accounts. And, from what it's told us, it seems likely that the withdrawals went to this other account because of a mistake in the card number that was entered for the withdrawals. I haven't seen any evidence to suggest that Mr H made a mistake, either when entering the card details when setting up the payments or when selecting which payment details to use when making the withdrawals. And from what I've seen, he was able to make withdrawals successfully when the payments weren't affected by the error I think Skrill made here. And so I don't think it would be fair for him to bear any responsibility for the money he has lost.

My final decision

I uphold this complaint and require Skrill Limited to:

- Refund Mr H the £1,340 he lost
- Pay 8% simple interest on this refund, from the date of the withdrawals until the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 9 October 2023.

Alan Millward
Ombudsman