

The complaint

Mr A complains that Skrill Limited unreasonably closed his account and will not allow him to withdraw the remaining funds. He'd like the account reopened.

What happened

Mr A had an account with Skrill denominated in USD. But in June 2021 he discovered that his account had been closed. Skrill had deducted \$181.88USD as a closure fee and had refused to refund him the remaining balance of \$1,561.86USD on the account. He complained to Skrill, but they responded to say they had acted in line with the terms of his account. They confirmed his refund had been declined and no further action would be taken.

Unhappy with this Mr A referred his complaint to our service. One of our investigators looked into what happened but didn't think Skrill had done anything wrong.

Mr A disagreed, saying he'd only used the account for forex trading, and didn't think the closure was fair. As no agreement could be reached 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.

As a financial business regulated in the UK Skrill have important legal and regulatory obligations to meet when supplying accounts to their consumers. These regulations means that they need to have processes in place to know who their consumers are, and how they're using the account. If they have concerns about how an account is being operated, then it's right that they can restrict, or even close the account. The terms of Mr A's account make provision for this.

Generally, it's up to Skrill who they provide accounts to, and it's rare our service will say a closed account must be reopened. I'd likely only do so if there were very good reason to do so.

Skrill don't have to explain their reasons for closing an account in detail – and in this case have decided not to. But they have provided reasoning to our service, which I'm satisfied that the rules of our service allow me to treat as confidential. I'm satisfied that Skrill's concerns are legitimate. I don't see it's unreasonable that they decided to close the account without notice, as this is in line with the terms of the account.

The terms in place allowed Skrill to charge an admin for of up to €150EUR when an account was closed – which I find is in line with the amount Mr A was charged in USD, based on the exchange rate at the time. I don't see that Skrill have done anything wrong in charging this admin fee.

Lastly, I can see that Skrill have declined to return the remaining balance of the account. This type of decision should not be taken lightly, so I've carefully considered the circumstances of the complaint. Overall, I'm satisfied that this decision is line with both the terms of the account and Skrill's wider legal and regulatory obligations. I don't see at as unreasonable.

Mr A will no doubt be disappointed in my decision, but I don't see that Skrill have done anything unfair or unreasonable here. As such I'm not asking them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 24 April 2024.

Thom Bennett
Ombudsman