

The complaint

X has complained that Stripe Payments UK Limited (“Stripe”) discriminated against them when it closed their account in December 2022. They have also complained about how Stripe handled their complaint when they contacted the business last year.

What happened

X opened a Stripe account in November 2022. They live outside the UK and were relying on their Stripe account to receive donations from peers to help them set up their own business as well as cover day to day living expenses.

X has explained that they are a vulnerable person, they’re a survivor of domestic violence, have mobility issues, are trans and rely heavily on the support of their community to function.

In December 2022 X received a payment in excess of \$300 USD into their Stripe account. They have explained that this was a gift from someone they know, and X had intended on using it to help cover their day to day living expenses including food and heating.

The day after receiving the above donation Stripe reviewed X’s account and asked them to provide additional information about their identity and what they were intending on using the account for so it could complete its reviews. X explained that not all of their official ID’s matched up to their declared name as their official documents were in their dead name and not their chosen name. They also explained what their account was being used for and queried what had prompted Stripe to begin its review of their account.

Stripe responded to say that it had some concerns about the sources of the donations as it had been unable to match all of these with the card details the donations had come from. It was also unclear what the purpose of the account was and what business it was linked to. Understandably X was upset by this and felt as though they were being accused of managing their account in a fraudulent way.

Over the following weeks X had repeated contact with Stripe which they found very distressing. Due to their past experiences of violence and general hostility towards trans people, X was cautious about sharing their full contact details and identity information with multiple Stripe representatives. They became distressed when asked to repeat this information each time they needed to contact Stripe as they felt it should all be visible on their account, and it was traumatic for them to have to explain themselves over and over each time they chased Stripe to find out what was happening with their account.

Stripe has explained that while it sympathises with X it had to complete the checks it did in order to ensure the account was secure and being managed within the limits of its terms and conditions; including its appetite to manage risk and potential customer disputes. Following this it made the decision to close X’s account as it had concerns about how it was being managed and how likely it was that X’s donors may dispute transactions in the future as it was unclear what the payments they were sending were for.

During that review Stripe made the decision to refund some of the payments X had already

received despite not being asked by the donors to do so. X has explained this left them in an extremely financially vulnerable position, unable to pay for food and other essentials. They have also said that it impacted their position within their own community as they felt it made them look dishonest in the eyes of their peers.

Following X's complaint to Stripe a further review was done and in March 2023 the business agreed to reopen the account and refund the money it had sent back to X's donors.

However, X said that during the time that the account was closed they had been left in an incredibly difficult situation with no access to money to pay for food. It had impacted their reputation and in particular had led to the breakdown of a relationship with a person who had been supporting X by buying groceries for them as well as completing other errands they were unable to do themselves. X asked that Stripe provide them with compensation in the region of \$1,000 - \$1,500 USD in recognition of the harm it had caused them.

I issued a provisional decision on 8 September 2023. In that I accepted that Stripe made mistakes in how it handled the review of X's account in December 2022 and that it's communications with them could've been clearer and better managed. I agreed Stripe hadn't properly taken X's personal circumstances and vulnerabilities into consideration and that it could've done more to help them. I suggested Stripe pay X £350 in compensation in recognition of these failings.

Stripe accepted my recommendations and agreed to pay to compensation.

X did not agree with my findings and was concerned I'd misunderstood their complaint and what had happened. In response to the provisional decision they highlighted the following points:

- The issue that led to Stripe closing their account and refunding donations received in November 2022 was the result of an error in an automated system and not the result of a manual review of their account.
- They had a business website at the time Stripe were reviewing their account. Indeed, they wouldn't have been able to open a Stripe account if they hadn't already had a business website.
- They have a number of different vulnerabilities, which they hadn't disclosed to Stripe or this service previously, but which make it extremely difficult for them to communicate in writing and verbally. They felt I hadn't properly understood this or taken it into account.
- They have never received any kind of apology from Stripe in recognition of the impact its behaviour had on them.
- The basis of their complaint wasn't about what had happened with the person who was supporting them, and I had placed too much emphasis on this point.
- Loss of access to their Stripe account resulted in them being unable to go ahead with classes they had advertised which would've generated income for them. As a result, they were left in dire circumstances with no money for food or heating during the winter months.
- They were unhappy I hadn't addressed the issues they had when they complained to Stripe in December 2022 and the fact that they received no response to their complaint until after this service became involved.
- They felt that the provisional decision implied that they were trying to get money from Stripe in an unreasonable or unwarranted way.

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.

Firstly, I'd like to apologise to X as it is clear from their response that the provisional decision upset them and made them feel as though I hadn't understood the impact the mistakes made by Stripe had on them. That wasn't my intention, but it is clear that's how they interpreted the decision and so I am sorry for any additional distress it caused them.

X is concerned that I'd misunderstood what led to their account being closed in December 2022 as they felt I thought it was the result of a manual review whereas it was actually the result of an error in Stripe's automated systems. Having reviewed all of the information provided by Stripe while it's unclear whether the initial issue with the payment received in December 2022 was the result of an automated system error or not, I agree that it was wrong for Stripe to close X's account in the way that it did. I also agree that the way it communicated with them thereafter while they were trying to get this issue resolved was also unhelpful.

I received full transcripts of all the written and verbal communication between X and Stripe at this time and this was what I had used to gain context around what had happened at the time. This was also the basis for upholding their complaint in the provisional decision and I still believe that Stripe made mistakes in December 2022 and exacerbated the situation by failing to tailor how it communicated with and supported X as a vulnerable consumer throughout this time.

X has said that they had a functioning website at the time and that Stripe is lying if it has said otherwise. To clarify the reason why I concluded there was no functioning website at the time was from the webchats X had with Stripe representatives at the time where the representatives were explaining that they were trying to access the website as part of their checks and were unable to do so. I also tried to access the website to verify it and couldn't find it hence my assumption that while X may have been in the process of creating it, it hadn't been fully launched or established. Since receiving X's response to my provisional decision I have checked this again and am still unable to find a website using the company name they've provided us.

X has provided some additional information about their vulnerabilities and how it impacts their life and how they communicate. I appreciate them sharing this information with us, I understand that it's deeply personal and a difficult thing to share. I want to assure X that I have taken these into consideration and agree that Stripe could've done more to help them and should've tailored how it offered support to them to reflect their different needs. However, it's very difficult for a business to offer tailored and useful support if it doesn't understand what the issues its consumer faces are. While I appreciate X is entitled to their privacy and is hesitant to share personal information because of previous traumatic experiences, it would be unreasonable for me to 'punish' the business for failing to meet their needs if it didn't understand or know what those needs were.

I noted the issues between X and the person who had been supporting them in the provisional decision because from their communications with our investigator I could see that this was something that caused X a lot of distress at the time. If I placed too much weight on this I apologise but want to clarify that it wasn't why I reduced the level of compensation that Stripe should pay. I explain that reduction below.

X has said that they have never received an apology from Stripe in regard to how its decision to close their account in December 2022 impacted them. I believe they are entitled

to an apology and so I will direct Stripe to provide one along with the compensation due.

In regard to X's potential loss of earnings, in order for me to be able to award loss of earnings in cases where consumers have told us that the actions of the business they're complaining about resulted in a substantial loss of income, I need evidence that the lost income was guaranteed in the first instance.

In X's complaint they have told us that had their Stripe account not been shut down in December 2022 they would've launched their business and been able to generate an income from it. We asked them to provide evidence supporting this. Unfortunately, while they've been able to provide us with some evidence of the services they were advertising at the time, they've not been able to provide us with any evidence to document how much income they were likely to generate, or any evidence of services requested or booked by potential clients. So, while it is clear that they were hoping to launch their business in the new year and were actively advertising to bring in clients, there's no evidence to show how much, if any, income this would've generated for them. So, I'm unable to prove that had their Stripe account not been shut down they were guaranteed to generate an income through it. And I can't make an award for loss earnings as I've no way to verify that loss.

Finally, X was upset that I hadn't addressed the fact that they didn't receive a response to their complaint from Stripe until after our service became involved. As explained by our investigator there are limits as to what this service can consider and what is and isn't in our jurisdiction. Customer service complaints are not regulated activities and so I can't comment directly on how Stripe responded to X's complaint in December 2022. But I can consider the circumstances around what happened with their account. Which is why I've said I think Stripe could've done more to support X once it had incorrectly closed their account, but not commented on the process around responding to the complaint itself.

I know X is extremely disappointed with the amount of compensation I've asked Stripe to pay. In the initial view our investigator issued he had suggested compensation of £1,000. However, I disagreed with that suggestion on the basis that it wasn't consistent with how this service had calculated compensation in the past. As explained above in order for me to ask Stripe to pay such a large amount of compensation I would need evidence that supports X was likely to have earned this much had the problems with their Stripe account not occurred. And I've not received any evidence that shows that. This is why I disagreed with the amount suggested by the investigator.

I know this is very distressing for X and I want to clarify it's not an indication that I haven't understood how difficult the situation was for them or that I don't believe them. But the role of this service isn't punitive, and I've got to be consistent with the approach taken in the past in order to be fair to both parties. Which is why, although I am upholding their complaint against Stripe, I wasn't able to endorse the amount of compensation put forward by the investigator.

Putting things right

In order to put things right Stripe Payments UK Limited should:

- Apologise to X for the incorrect closure of their account in December 2022 and its failure to offer the adequate help and support after this error occurred
- Pay X £350 compensation in recognition of the problems they experienced between December 2022 and March 2023 when their account was inaccessible

My final decision

For the reasons set out above I uphold X's complaint against Stripe Payments UK Limited.

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

Karen Hanlon
Ombudsman