

## **The complaint**

Mr O complains that Skrill Limited blocked and later closed his account. He would like his account balance refunded to him.

## **What happened**

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr O opened an account with Skrill on 6 January 2023. Skrill reviewed the account and requested information from Mr O as part of its know your customer process. Skrill blocked the account on 27 January 2023.

Mr O provided Skrill with information in response to Skrill's request.

Skrill decided to close Mr O's account on 31 January 2023. It charged Mr O an administration fee of 170 US dollars.

Mr O had a balance of US dollars 329.09 in the account. Skrill asked Mr O to supply an image of him holding his ID as well as a recent bank statement. – Skrill was not satisfied with the documents provided so they refused to release the funds.

Mr O complained to Skrill. They said they were entitled to block their account and request the information they had to comply with their legal and regulatory obligations and the terms of the account. Skrill were entitled to charge an administration fee in line with the terms Mr O had agreed to. They were entitled to terminate the account.

Mr O complained to our service. He told us some of the information that Skrill asked him to provide wasn't available to him. One of the investigators looked at the complaint. He thought Skrill had acted fairly in blocking the account and requesting the identification information it had. He didn't think they had acted unfairly when they closed the account and charged an administration fee. As Mr O hadn't been able to provide satisfactory ID documentation Skrill were entitled to hold his funds until he provided this.

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.

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 O's case, I'm satisfied that Skrill was acting in line with its legal and regulatory requirements when it reviewed Mr O's account. The account was newly opened and Skrill needed further proof of identification from Mr O 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 O's account. So, I won't be asking it to reinstate it.

### *Fees*

I know Mr O is concerned that Skrill have charged him US dollars 170.91 as an administrative fee to close his account. And he says that is a substantial amount.

I appreciate Mr O is unhappy with the situation. I have looked at the terms and conditions of the account which Mr O 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.

Skrill are entitled to charge the fees based on the terms of the account which Mr O agreed to. Further I've already said I think Skrill acted fairly when they reviewed and later closed Mr O's account, so I think based on the terms and the evidence I'm satisfied Skrill haven't treated Mr O unfairly in charging the fee and I won't be asking Skrill to waive the fee.

### *Balance on the account*

Mr O says he has a balance of US dollars 329.09 which he would like returned to him. Skrill have asked Mr O to provide them with satisfactory Identification documents in order to release his funds. They have said the documents provided so far are not sufficient to allow Skrill to release the funds to him. Mr O has said he can't provide the documents Skrill are requesting.

I appreciate what Mr O is saying but Skrill is entitled to request the information that it has from Mr O in order to comply with its legal and regulatory obligations.

I have looked at the evidence provided by both parties and having done so I don't think Skrill are treating Mr O unfairly, so I won't be asking Skrill to return the funds to Mr O.

If Mr O wants to receive his funds back, I suggest Mr O contact Skrill and provides them with the information they need in order that they may release his funds.

In summary I'm satisfied Skrill were entitled to close Mr O's account and apply the fee to close his account. I don't think they have acted unfairly in requesting further information from Mr O in order to release his funds. I won't be asking Skrill to do anything here.

**My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 27 March 2024.

Esperanza Fuentes  
**Ombudsman**