

The complaint

Skrill Limited provides online payment services. Mr V used it to buy a service which he never received. He thinks Skrill should have got his money back for him, or, if it couldn't recover the money, should have refunded him from its own resources.

What happened

During Spring 2023, Mr V was trading in various financial products, which I understand may have included shares, gold and foreign exchange. He has told us that he was a "*beginner*" in such activities and sought help from more experienced people. While looking online for such help, he found the service provider, which seemed to provide the type of service he wanted.

Initially, Mr V bought a service costing less than £100 from the service provider. He didn't use Skrill to pay for this service but has told us he was satisfied with what he received from the service provider. He's said that at that stage, he thought the service provider was legitimate, provided "*quite accurate*" information and was "*worth its salt*". After this first experience with the service provider, he bought a more comprehensive package of help from it. This package cost him over £420.

The service provider also used Skrill, and Mr V sent it the money through Skrill's online service for fast payments, in a "*Skrill to Skrill*" transfer. But he's told us he never received the help he expected from the service provider.

One of our investigators has already looked into Mr V's complaint and didn't recommend that Skrill should do anything further for him. Mr V didn't agree with the investigator's recommendation and asked for his case to be reviewed. So, it has come to me as an ombudsman to decide what a fair outcome should be.

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.

Mr V has told us that that when he didn't receive the service he expected, he contacted the service provider directly to "*try to resolve the matter*" but the service provider didn't respond and wasn't "*willing to cooperate*" with him. So, he contacted Skrill for help.

I understand that at that stage Mr V primarily wanted Skrill to liaise between himself and the service provider to find a solution, but Skrill didn't do this. Mr V has said that "(Skrill) *hasn't really tried to help.... (it) hasn't talked to the person who got the money*".

Skrill has said that its only responsibility to Mr V was to transfer his money into the service provider's account and that it had no duty to provide the kind of liaison service he requested. It has highlighted several clauses from its terms and conditions which it says illustrate this. I accept its position. I do not think it was under any obligation to act in the way Mr V initially requested.

However, during our investigation, Mr V has also mentioned that he thinks the service provider was fraudulent, and I certainly expect Skill to help reduce fraud. It has told us this itself. It has said that its *“goal is to constantly combat fraud through all available means”*.

While many means are available to combat fraud, two of those most commonly used by organisations like Skrill are to review their customers' payments to see if anything looks unusual and then check the details of any payments which look suspicious with the customer concerned; and, if fraud does occur, to try to recover a customer's money from the payee's account as soon as the customer reports the fraud. (With these attempts at recovery, speed is of the essence, as once fraudsters receive money into an account they can control, they almost always move it away quickly to stop such attempts succeeding).

Although I accept that Mr V genuinely believes that the service provider was fraudulent, I haven't seen sufficiently convincing evidence for me to agree with certainty. In order to do so, I would have to believe that the service provider set out to take Mr V's money with no intention of providing the service for which he had paid. I am not convinced about this. However, *solely* to give Mr V a fair hearing, I will consider Skrill's actions *as if* the service provider *did* commit fraud in the way he has described.

I understand that Skrill processed Mr V's payment without checking any details with him. However, to me it doesn't seem that there was anything unusual about Mr V's payment to the service provider. So, in this particular case, I don't think Skrill was at fault for not making any checks. Moreover, at that time, Mr V thought the service provider was legitimate. So, even if Skrill had checked details of the payment with him, I think it's extremely likely he would have told it to go ahead.

Mr V has told us that it was *“a couple of weeks”* after he had sent his money to the service provider that he began to think it may be fraudulent. I'm not sure exactly when he reported his suspicions to Skrill, but obviously by the time they arose, any fraudsters would have had ample time to move his money away from an attempt at recovery.

I understand that Skrill took several weeks from Mr V asking for its help until it tried to find his money and (possibly) recover it. I consider this delay to have been unnecessary. But, by the time Mr V reported his suspicions to Skrill, if fraud *had* taken place, it was already too late for any attempt at recovery to have had a realistic chance of success. So, I wouldn't hold Skrill at fault for not being able to get Mr V's money back for him.

Mr V has also mentioned that he wants Skrill to change some of its working practices so that no one else has the same experience he did. He's told us that he would *“urge... (Skrill)... “to put a proper mechanism in place to prevent similar incidents from occurring to other individuals”*. I appreciate the sincerity of Mr V's comments, but I can't tell Skrill how to run its business, so I will leave Skrill to consider Mr V's request for itself.

In summary, I think Skrill was acting within its rights when it didn't provide a liaison service between Mr V and the service provider. And while I'm not convinced the service provider acted fraudulently, had it done so, I wouldn't have had sufficient grounds to hold Skrill responsible for Mr V's loss. Consequently, I don't think Skrill should give Mr V a refund.

Finally, I would like to say how sorry I am to have heard about Mr V's loss. Losing money in any dispute, fraudulent or otherwise, can be very upsetting and he has my sincere sympathy for what happened to him. I hope he never has to endure a similar experience again.

My final decision

For the reasons I have set out above, I am not upholding Mr V's complaint about Skill Limited. I am not going to tell it to refund him any money or take any other action for him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 5 March 2024.

Steve Townsley

Ombudsman