

## **The complaint**

Mr C complains that Skrill Limited ('Skrill') closed his account without an explanation why. He wants the account to be reopened.

## **What happened**

I issued a provisional decision on this complaint earlier this month. An extract from that decision follows:

*"Mr C had an account with Skrill for about a year. In January 2022 Skrill wrote to him to say it was closing his account. It said this was something it was entitled to do under its terms and conditions and it didn't need to provide a reason why. Skrill restricted the account on the same day and three days later it modified the restriction to allow Mr C to transfer the funds that were in the account into another account. It closed his Skrill account that day.*

*Mr C complained to us and to Skrill in August 2023 and said he wanted the account to be reopened. Skrill responded but it didn't change its decision to close the account. It said it was acting in line with its terms and conditions which enable it to close an account immediately in certain situations. It reiterated that it didn't need to provide a reason why it decided to do so.*

*One of our investigators reviewed the complaint and thought it should be upheld in part. He didn't think Skrill had provided sufficient evidence to show that the account was closed fairly. He recommended that it pays Mr C £100 compensation plus 8% simple interest per year on the account balance while the account was restricted. He also recommended Skrill reopens the account.*

*Skrill didn't agree with our investigator. It maintained that it was entitled to close the account without notice under its terms and conditions. Our investigator didn't change his view and Skrill asked for an ombudsman's decision.*

*The matter was then passed to me to decide.*

## **What I've provisionally 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's terms and conditions say that it can close an account by giving two months' notice or with immediate effect in certain circumstances.*

*Skrill decided to close Mr C's account with immediate effect. As I said above it can do this under certain circumstances. And this isn't something we would disagree with as long as it has done so in a way which is fair and complies with the terms and conditions of the account.*

*Having looked at all the evidence, including the information Skrill provided further to our investigator's view, I'm not satisfied that Skrill was acting fairly and reasonably when it closed the account without notice. Skrill has provided some further details of its decision-making process which, unfortunately, I can't share due to its commercial sensitivity. But I would have expected to see stronger evidence to justify the immediate closure. So I don't think Skrill was acting fairly and reasonably in this regard. And I think Skrill should have given Mr C more notice and Mr C should have been able to access his funds over the notice period.*

*Mr C wants his account to be reopened. It's generally for financial institutions to decide whether or not they want to provide or continue to provide banking facilities to a particular customer. Each financial institution has its own criteria and risk assessments for deciding whether to open or close accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there is a very 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. For this reason, I am not considering asking Skrill to reopen the account.*

*I should also add that I don't think Skrill is under any obligation to disclose to its customers what triggers a review of their accounts. For this reason, I can't say that it's done anything wrong by not giving Mr C this information. And it wouldn't be appropriate for me to require it to do so.*

*Nevertheless, I appreciate that Mr C was inconvenienced by the sudden closure of his account and not having any notice to make other arrangements. And I also think he would have found it distressing being suddenly told Skrill no longer wanted to have a business relationship with him. He said his Skrill account was the only way he has in his country to invest in foreign currency and that he wouldn't be able to do this now his account has been closed. I think Skrill should pay him £100 for the distress and inconvenience its actions caused him.*

*Mr C was deprived of funds in his account for three days. This is money that he should have had available to him to use as he wanted. I can't say for sure what the specific cost of not having these funds available would be. It will have influenced a whole host of decisions about spending and borrowing over that time. With that in mind I'm satisfied awarding 8% simple interest per year on the amount for the period that it wasn't available to Mr C is appropriate. It is a reflection of the cost of being deprived of these funds. It's also in line with the statutory interest rate on judgment debts."*

Both parties responded to my provisional decision ahead of the deadline. Mr C said he was happy with my decision and that he wanted to get his account back as soon as possible. Our investigator responded to Mr C and explained that I wasn't asking Skrill to reopen his

account. Mr C acknowledged our investigator's response and didn't provide any further comments.

Skrill didn't agree with my provisional decision. It said that its decision was in line with its legal and regulatory obligations and its terms and conditions. It doesn't think Mr C should be compensated in this case. It asked that we re-review the matter based on the evidence it previously provided.

### **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 neither party has provided any further evidence I see no reason to change any of the findings I made in my provisional decision. As I said in my provisional decision, it is for financial institutions to decide whether they want to offer or continue to offer their services to a customer. And we wouldn't normally interfere and ask them to keep a customer they decided they no longer wanted to offer their services to unless there was a very good reason to do so. I don't think this was the case in these specific circumstances. And it is for this reason I haven't asked Skrill to reopen the account.

Skrill has disagreed with my provisional decision and said Mr C shouldn't be awarded any compensation. As I said in my provisional decision, I would have expected to see stronger evidence from Skrill to justify the immediate closure of the account. And in the absence of such evidence, I decided it was fair and reasonable in these specific circumstances for Mr C to be awarded compensation.

Having reviewed everything and as neither party made any new points or provided further evidence my views on the complaint as set out provisionally have not changed. My provisional findings along with any further comments here are now the findings of this my final decision.

### **My final decision**

For the reasons above I am upholding this complaint in part. Skrill Limited must pay Mr C £100 compensation for the distress and inconvenience it caused him. It must also pay him 8% interest per year simple on the total balance on his account over the days it was blocked, until the day it was made available to him.

Skrill Limited must pay the compensation within 28 days of the date on which we tell it Mr C accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

If Skrill Limited considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr C how much it's taken off. It should also give Mr C a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 July 2024.

Anastasia Serdari  
**Ombudsman**