

The complaint

Mr A complains Skrill Limited ("Skrill") restricted and closed his account without notification nor explanation.

To put things right, Mr A wants his account reopened.

What happened

The details of this complaint are well known by both parties, so I won't repeat them again here in detail. Instead, I'll focus on setting out some of the key facts and on giving my reasons for my decision.

Following an internal review, Skrill closed Mr A's account with immediate effect in February 2024. Any remaining funds were released to Mr A. Unhappy, Mr A complained. Skrill didn't uphold his complaint. In short, Skrill said it had acted in line with its terms and conditions as it has sufficient grounds to believe Mr A breached its terms and conditions of account.

Skrill also said that it can't disclose any additional information about its review and doesn't have to give Mr A a detailed explanation. Mr A referred his complaint to this service. One of our Investigator's looked into it and recommended it wasn't upheld. In summary, the key points they made were:

- Skrill had closed the account in line with its terms and conditions
- Mr A says he can't withdraw funds from external forex accounts as his Skrill account was the nominated account for them. This isn't Skrill's fault and Mr A will need to resolve this with those firms directly

Mr A didn't agree with what our Investigator and reiterated his previous points, particularly that Skrill had acted unfairly and unprofessionally.

As there was no agreement, this 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.

Having done so, I have decided not to uphold this complaint. I'll explain why.

Financial businesses in the UK, like Skrill, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Skrill needs to restrict, or in some cases go as far as closing, customers' accounts.

From the information and explanation Skrill has provided me, I'm satisfied it acted in line with its obligations when reviewing Mr A's account.

Skrill is entitled to close an account just as a customer may close an account with it. But before Skrill closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Skrill and Mr A had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Skrill has given me an explanation and related evidence to show why it closed Mr A's account in the way it did. Having carefully considered this, I'm satisfied Skrill acted in line with its terms and conditions in doing so. So, I'm satisfied the terms were applied fairly.

It's understandable why Mr A is asking for a detailed explanation, given the frequency he was using the account and the purpose it served him. But Skrill is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Skrill has provided is information I consider should be kept confidential.

Mr A says that he is unable to withdraw funds from third-party forex companies as his Skrill account was the nominated one for disbursements. But Skrill has acted fairly in closing his account, so it doesn't need to reopen it to facilitate these payments. That means Mr A will need to take up this matter with these other companies directly.

As I don't think Skrill has done anything wrong, I see no basis to award any compensation.

My final decision

For the reasons above, I have decided not to 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 13 January 2025.

Ketan Nagla
Ombudsman