

## **The complaint**

Miss W complains Skrill Limited declined to refund transactions she didn't make and blocked her account. Miss W is also unhappy with how Skrill handled things and the time it took Skrill to return her money.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat everything again here. In brief summary, Miss W opened an electronic money account with Skrill in January 2024.

Miss W says she fell victim to fraud in January 2024, where fraudulent top ups were made into Miss W's Skrill account using her bank card that she had with another bank. The funds were then used to make card payments to a blockchain platform, which I will refer to as E. Miss W raised this with Skrill, but they declined to refund her. Skrill then blocked and closed Miss W's account in February and March 2024.

Following this Miss W contacted E to try and get her money back. As she didn't have an account with E, they agreed to refund her the disputed transactions on 21 March 2024. E sent the money back to Miss W's Skrill account.

Skrill had closed Miss W's account, so Miss W contacted Skrill to arrange for them to allow the money to credit her account. Skrill agreed but when the funds were received by Skrill they blocked Miss W from accessing the money. And asked Miss W to provide identification and a bank statement from her account where the top ups had originated.

Miss W tried to call Skrill to sort everything out, but Skrill blocked her telephone number. She also sent Skrill emails, and asked for a manager to call her, but Skrill didn't respond.

Miss W provided Skrill with the information it had requested from her on 5 April 2024. But Skrill didn't release the funds in her account back to her other bank account until 11 June 2024. Skrill also said it wasn't willing to release Miss W's remaining account balance of just over £20 back to her.

Miss W complained to Skrill. She said it took too long to get her money back, so she had to use her overdraft, which accrued interest, to pay for everyday expenses. Ms W said Skrill had provided her with poor service and made it difficult to manage day to day. She said because of Skrill's actions she felt stressed and anxious and had to take time off work. So, she wants Skrill to pay her compensation for the trouble and upset she's been caused.

In response, Skrill said it hadn't done anything wrong and had acted in accordance with the terms and conditions of the account.

Miss W remained unhappy, so she brought her complaint to our service where one of our investigators looked into it. The investigator asked Skrill to provide more information about

why it had blocked and closed Miss W's account. And how it dealt with Miss W's fraud claim and funds return. But Skrill didn't provide much information.

The investigator reviewed all the evidence. In summary, they said based on the limited information Skrill had provided:

- They couldn't say Skrill had fairly declined Miss W's fraud claim – however, they didn't think Miss W was out of pocket due to their actions as she got the money back from E. But Miss W was inconvenienced due to Skrill's actions and had to chase E.
- They couldn't say Skrill had treated Miss W fairly when it had closed her account. But this hadn't caused Miss W any detriment.
- Skrill hadn't done anything wrong when it had requested information from Miss W before they could return the refunds received from E. And Skrill had done so to meet its legal and regulatory obligations.
- Miss W had provided her identification and bank statements to Skrill on 5 April 2024. But Skrill didn't release her funds until 11 June 2024. So, there was a delay, which had caused Miss W inconvenience.
- During their investigation, they had requested call recordings between Skrill and Miss W, to check if there were any failed manager call-backs. They had also asked Skrill for their communications with Miss W, so they could check if any of her emails were not responded to. And requested Skrill's comments on whether Miss W's phone number was blocked. Unfortunately, Skrill didn't respond with this information. Whereas Miss W provided several emails between herself and Skrill.
- Having checked the emails provided by Miss W, the investigator was satisfied some of her emails weren't answered by Skrill. And that a complaint should've been raised sooner about the fraudulent transactions and investigated by Skrill when Miss W contacted them on 19 March 2024.
- Due to the limited information the investigator said it was likely Skrill did block Miss W's phone number and failed to provide manager call-backs when requested.

To put things right the investigator said Skrill should do the following:

- Pay Miss W £150 for the distress and inconvenience caused by the poor customer service provided, the delay in returning her funds and for unfairly declining her fraud claim.
- Pay Miss W 8% simple interest (calculated per annum) on the money withheld between 6 April (when the funds should've been returned to Miss W, until 11 June 2024.
- Return the remaining balance being withheld – and apply 8% simple interest (calculated per annum) on this sum, applicable between 6 April 2024 until settlement.

Miss W agreed. Skrill didn't and asked for the matter to be reviewed by an ombudsman. So, the complaint 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.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence, provided by financial institutions along with complainants' persuasive testimony.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

I'll deal first with Miss W's disputed transaction claim. Skrill has explained to our service why they declined Miss W's fraud claim. They believe she authorised the transactions. But despite the investigator asking Skrill to provide the technical evidence which sits behind their decision, Skrill haven't provided this. So, I can't be sure Skrill treated Miss W fairly when it declined to refund her the disputed transactions.

However, I've also kept in mind that Miss W isn't out of pocket due to Skrill's actions. That's because she managed to get E to refund her the money she says she lost due to fraud. So, I can't say Miss W has lost out financially. She's got her money back. But I can see that Miss W had to go to the trouble of contacting E, which would have taken time and been inconvenient. So, like the investigator, due to the lack of information provided by Skrill about why it declined Miss W's claim, I'm satisfied that Skrill's actions caused Miss W some trouble and upset.

Miss W is also unhappy that Skrill blocked her account and asked her to provide identification and her bank statements for another of her accounts.

Skrill have important legal and regulatory obligations they must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It's common industry practice for firms to restrict access to an account to conduct a review on a customer and/or ask a customer to provide information about their identity and source of funds – which is what Skrill did here. The terms of the account also permit Skrill to block an account.

Having looked at the available evidence I can't say Skrill treated Miss W unfairly when it blocked her account and asked her for the information that it did so that it could release her funds.

However, based on the evidence I'm not satisfied that Skrill released Miss W's funds as soon as it should have done. I say this because from looking at the emails between Miss W and Skrill I can see that Miss W sent Skrill the information it wanted on 5 April 2024. But Skrill didn't release Miss W's funds until 11 June 2024. Skrill also haven't explained why it still hasn't returned the small closing balance of Miss W's account. The investigator has asked Skrill about this delay and why it won't release Miss W's closing balance, but it hasn't provided much in the way of an explanation, which is disappointing.

Skrill needs to provide information to this service so we can fairly decide a complaint. Despite being asked by the investigator, Skrill has failed to provide the information we need. So, in this particular case, because of the lack of information I can't be satisfied that Skrill has treated Miss W fairly when it took as long as it did to release her funds and refused to return her closing balance. Miss W has said that she had to rely on her overdraft to make ends meet and pay for everyday essentials. She also said that she had to borrow money, was stressed and worried. So, I'm satisfied that Miss W was caused some trouble and upset by Skrill's actions.

Miss W has also said that Skrill didn't communicate with her as well as it should have. She has said that Skrill blocked her telephone number so she couldn't contact them by phone. She's said Skrill didn't respond to emails and a manager didn't contact her either. Again, we've asked Skrill about this. But Skrill haven't provided us with any information. So, in the absence of any evidence to the contrary I think it's likely that Skrill's service fell short here.

Taking all this into account, I agree with the investigator that Skrill should pay Miss W compensation for the trouble and upset caused. I've considered what Miss W has said about her circumstances and how Skrill's actions impacted her. I've no doubt this was a worrying and stressful time for Miss W. Miss W says she had to borrow money. She also had to go to the trouble of chasing E to arrange a refund and chasing Skrill to respond to her emails.

### **Putting things right**

To put things right Skrill should do the following to recognise the impact Skrill's actions has in the overall circumstances of this complaint:

- Pay Miss W £150 for the distress and inconvenience caused by the poor customer service provided, the delay in returning her funds and for unfairly declining her fraud claim.
- Pay Miss W 8% simple interest (calculated per annum) on the money withheld between 6 April 2024 (when the funds should've been returned to Miss W, until 11 June 2024.
- Return the remaining balance being withheld – and apply 8% simple interest (calculated per annum) on this sum, applicable between 6 April 2024 until settlement.

### **My final decision**

For the reasons I've explained I uphold this complaint and direct Skrill Limited to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 8 July 2025.

Sharon Kerrison  
**Ombudsman**