

The complaint

X complains Skrill Limited unfairly closed his account without providing a proper explanation. And by doing so, has failed to reasonably consider his circumstances.

What happened

X opened an account with Skrill in July 2024. On his account application X said his country of residence was Ukraine. However, due to the war in Ukraine, X relocated to Germany.

Under the terms and conditions of the account and to comply with its legal and regulatory obligations, Skrill customers are only allowed to operate an account from the country they reside.

Skrill discovered X was using an IP address located in Germany, which suggested he wasn't living in Ukraine. So, it closed X's account.

X complained to Skrill. He said he had operated his account properly and could see no justification for his account being closed. He said Skrill have not considered that he may move around internationally for work and holidays, so he doesn't think it's fair Skrill closed his account.

In response Skrill apologised for any inconvenience closing X's account had caused him. It explained that Skrill operates in multiple countries under the different jurisdiction of different regulatory bodies. And to comply with its legal and regulatory obligations customers are only allowed to operate an account from the country they reside in. Skrill said it couldn't reopen X's account but said he could create a new account in Germany.

X remained unhappy. He said Skrill's offer of opening another account doesn't address the core issue of Skrill deactivating his original account. To put things right he wants Skrill to explain why it closed his account, reactivate his account and pay him compensation for the trouble and upset he's been caused.

One of our Investigator's looked X's complaint and didn't think Skrill needed to do anything more to put things right. So, they didn't uphold X's complaint.

X remained unhappy. He felt that Skrill had breached Financial Conduct Authority rules by not being transparent and fair in their dealings with him and asked for an ombudsman to review his complaint. So, 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.

Generally, firms such as Skrill have a broad discretion over who they can choose to provide accounts to, so long as they don't have any discriminatory criteria in deciding this. This is a commercial decision for them to make. Our service wouldn't often suggest a firm would have

to provide an account to somebody – what we would do is look to see that they've been treated fairly and reasonably.

In this case Skrill told X it closed his account because he didn't live in Ukraine and had moved to Germany. Skrill has relied on its terms and conditions when deciding to close X's account. These state that upon registration of an account customers must reside in the country in which they want to operate an account.

When X opened his account he lived in Ukraine. However, he moved to Germany. So, based on the terms and conditions X could no longer operate his original account.

Having looked at all the evidence, I'm satisfied that Skrill's reasons for closing X's account are reasonable and rational. This is a legitimate commercial decision in line with both the terms of the account, and Skrill's wider legal and regulatory obligations. So, I won't be asking Skrill to reactivate X's original account or pay X compensation since I don't find Skrill have done anything wrong.

I appreciate X would like to know more, and there's a natural curiosity many people would have about this. Skrill aren't under any obligation to provide any more details to him. But I can see from looking at Skrill final response letter, Skrill has provided X with an explanation. I'm sure it will be frustrating for X that what he has been told is vague – and I apologise if he finds this decision to be similar – but I don't see that he's been treated unreasonably.

Overall, I'm not minded that Skrill have treated X unfairly or unreasonably in closing his account and declining to reactivate it. Skrill has told X that it is willing to provide him with another account based on his country of residence. I'm satisfied Skrill acted reasonably and flexibly here by doing so. Because of that, I'm not asking them to do anything more to resolve X's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 10 November 2025.

Sharon Kerrison
Ombudsman