

The complaint

Mr T complains that Skrill Limited (“Skrill”) won’t refund payments he made as part of a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

Mr T was looking to purchase tickets for a concert and found some being advertised online by a private seller. Having agreed a price for the tickets, Mr T made two payments totalling £124.82 (including fees) to the seller of the tickets on 28 September 2024.

Shortly after making the payments, the seller of the tickets ceased all communication with Mr T. Mr T then reported the matter to Skrill as he felt he’d been the victim of a scam.

Skrill looked into the matter but declined to reimburse Mr T. They felt that they followed Mr T’s payment instructions and hadn’t acted incorrectly in processing the payments. Skrill also explained that they did what they could to recover Mr T’s funds, but were unsuccessful in doing so. Unhappy with this response, Mr T referred his complaint to our service.

Our investigator looked into Mr T’s complaint but did not uphold it on the basis that the payments weren’t unusual or suspicious enough to have warranted intervention from Skrill prior to their release. The investigator was also satisfied that Skrill did what they could when attempting to recover Mr T’s funds or that their handling of Mr T’s complaint warranted any compensation.

Mr T disagreed with the investigator’s findings as he believes they didn’t appropriately protect his finances or attempt to recover his funds. Mr T was also unhappy with the way Skrill handled his claim and complaint.

As the complaint couldn’t be resolved by the investigator it has been passed to me for a decision.

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.

In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mr T's complaint. This is not meant to be a discourtesy to Mr T and I want to assure him I have considered everything he has submitted carefully.

In deciding what's fair and reasonable in all the circumstances of a complaint, 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 be good industry practice at the time.

In broad terms, the starting position at law is that Electronic Money Institution (EMI) such as Skrill is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here it's not in dispute that the payments were authorised, so the starting position is that Skrill isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Skrill also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Skrill acted fairly and reasonably in its dealings with Mr T.

Mr T believes that Skrill ought to have done more prior to the release of his funds in order to confirm that the payments were being made for legitimate purposes. As referenced earlier in my decision, I would expect to see a business take reasonable steps if they identify their customer may be at risk of fraud or financial harm.

That said, businesses have to find a balance between identifying potentially concerning payments and taking appropriate action, while ensuring minimal disruption to legitimate payments.

I can see that Mr T's account was opened shortly before the payments he has disputed, with these payments being the first transactions to debit the account. This means that there wasn't a genuine pattern of account activity available for Skrill to compare and contrast with in order to determine whether these transactions stood out as unusual and suspicious. Furthermore, the payments are of a relatively modest amount and, while there are two of them, they didn't then form part of a long list of transactions.

I understand that Mr T has concerns about the speed in which he was able to set up and use the Skrill account without any form of additional safeguarding. I don't believe the immediate use of an account is necessarily indicative, in and of itself, that the account holder may be at risk of fraud or financial harm. Additionally, I don't think it is necessarily uncommon for such accounts to be used shortly after opening as they're often created for their services to be used and payments to be made.

Taking the above into account, I don't believe that the payments were sufficiently unusual or suspicious enough for Skrill to have identified that Mr T was at risk of fraud or financial harm and have relevant conversations with him regarding their legitimacy prior to releasing his funds.

I've considered whether Skrill did what they should have when they were made aware that Mr T had fallen victim to a scam. Unfortunately, Mr T's funds had already been removed from the beneficiary account by the time he'd contacted Skrill, so there was nothing they could've done to recover his money by the time they were made aware of the situation.

Lastly, I've considered whether Skrill handled Mr T's complaint appropriately and whether they ought to pay and compensation for the distress and inconvenience they may have caused him. Having reviewed the available evidence, I don't believe that Skrill's handling of the complaint has ultimately added to Mr T's loss or that it was mis-handled in such a way that they ought to pay any compensation in recognition of any distress and inconvenience caused.

I understand Mr T's frustrations with what may well have felt like a long time when waiting for Skrill to handle his requests for reimbursement, especially considering that he'd fallen victim to a scam. But, taking everything into account, I don't believe that the time it took for Skrill to deal with Mr T's requests and subsequent complaint was longer than I consider to be reasonable in the circumstances.

Overall, I'm not persuaded that the payments made by Mr T were sufficiently unusual and suspicious enough to have warranted intervention by Skrill prior to their release. I'm also satisfied that Skrill were unable to recover Mr T's funds once they were aware of his loss. Finally, I'm not persuaded that Skrill ought to pay Mr T any compensation for their handling of his claim and subsequent complaint.

I appreciate this will be disappointing to Mr T, given the impact this situation has had on him, but I'm unable to say that Skrill are liable to reimburse his losses.

My final decision

My final decision is that I do not uphold this complaint against Skrill Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 8 January 2026.

Billy Wyatt
Ombudsman