

## **The complaint**

W, a limited company, complains that Stripe Payments UK Limited closed their account, and returned funds to the original payer. They'd like the money returned to them.

## **What happened**

W held a merchant services account with Stripe, to receive card payments. But in October 2024 stripe contacted W to say that they're carried out a review, and felt their business was a higher risk than they could support. They said they would no longer be accepting payments for them.

Unhappy with this W complained to Stripe, who responded to say they had closed the account in line with the terms. Stripe also returned four payments totalling £2,680 to the original payers.

W remained dissatisfied with this and referred the complaint to our service, saying they had shipped a watch to the payer for the payments for £2,680. One of our investigators looked at the complaint. She thought that Stripe's decision to close W's account was in line with the account terms. But she didn't see that Stripe had justified their decision to return the £2,680. She thought this represented a loss to W, so asked Stripe to refund this.

This was accepted by W, but Stripe disagreed. As such the 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.

Neither party has offered any comment on the investigator's findings about the closure of W's account. So, briefly I'm satisfied that the account was closed in line with the agreed terms. Ultimately, it's up to Stripe what level of risk they're willing to take on, and in this case they had identified that W was higher risk than they were comfortable with. In these circumstances the closure of the account isn't unreasonable.

The key point of contention remaining is the fate of the £2,680 that Stripe returned to the original payers. Stripe obviously had concerns about these funds. My understanding is that this amount was made in several transactions, for only a single item. This does seem to me an irregular way of making payment. I can also see that there were several failed payment attempts, using different card details. Overall, I can see why Stripe would have concerns about these payments.

But Stripe have also told us that they didn't ask W any questions before deciding to return these to the payers. I'm not persuaded this was fair, as I don't see that Stripe have provided a satisfactory explanation as to why these payments were so high risk they needed to be returned immediately. And I see that it would have been reasonable for Stripe to ask further questions of W.

We've asked W more about these transactions. W have acknowledged the pattern of payments was unusual – but said they were told it was because the payer had different amounts in different accounts, and they accepted that at the time. W have also shown us messages they exchanged with the buyer, which indicates the watch was sent. So, I'm not persuaded that W, or any of the staff at W, were aware of any problems or issues with attempting to take payments this way.

If Stripe had concerns about any payments received, then it is within their terms to hold funds for a period pending any chargebacks requests from the card issuer. W has said Stripe did that with their other remaining funds, and it's common industry practice. Here though Stripe returned the funds without any request from the payers to do so – for reasons that I'm not persuaded were reasonable. And since the funds have been returned now, it seems unlikely we'll learn anything further about these payments.

I accept the information here is limited, and I agree that Stripe's concerns were reasonable. But based on the information available to me, I'm not persuaded that it was reasonable for Stripe to decide to unilaterally return the funds. I don't see that Stripe have reasonably justified that decision. And I see that as W has lost out because of this, it is reasonable for Stripe to reimburse these to W.

### **My final decision**

My final decision is that Stripe Payments UK Ltd must pay W £2,680.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 13 November 2025.

Thom Bennett  
**Ombudsman**