

The complaint

Mr G says Skrill Limited ("Skrill") refuses to refund him for transactions on his account he says he didn't authorise.

What happened

Mr G says someone hacked into his account and withdrew all his cryptocurrency. He says he realised after his email was hacked and using this access someone else was able to get into his Skrill account and make the unauthorised transactions. The cryptocurrency exchanges and withdrawal in dispute were carried out on 7 January 2024, and the total withdrawn from Mr G's account was £1,225 (with a £24.50 fee).

Skrill considered this complaint but decided not to refund any money to Mr G. It says the evidence shows the account was used by a new device, via a new IP address, and there is evidence Mr G's password was reset. However, Skrill didn't take responsibility as it said that Mr G's account was hacked because his email address was compromised, and not because of a weakness in Skrill's systems. It also said it felt Mr G must have been grossly negligent with his 6-digit PIN, which was used to authorise the withdrawal of the funds from Mr G's account.

Unhappy with Skrill's response, Mr G brought his complaint to our Service. Our investigator considered the evidence and decided to uphold it in Mr G's favour. Skrill were not happy with this outcome, so the complaint has been passed to me for a final 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.

Generally speaking, Skrill is required to refund any unauthorised payments made from Mr G's account, unless there is evidence that Mr G has been grossly negligent in allowing the loss to occur. Those rules are set out in the Payment Service Regulations 2017.

Both parties agree that the transactions in dispute were unauthorised, carried out by a third party who managed to hack into Mr G's Skrill account. However, the dispute here is whether Skrill should refund the unauthorised transactions, or Mr G should be held liable for this loss for being grossly negligent in a way which allowed the transactions to take place.

In the FCA guidance document for PSR 2017 it states:

"...we interpret "gross negligence" to be a higher than the standard negligence under common law. The customer needs to have shown a **very significant degree of carelessness.**"

So, in deciding whether Mr G should be liable for this loss I need to be persuaded that he has shown a *very significant degree of carelessness*. But based on the limited evidence Skrill has put forward, I don't think this bar has been met. I'll explain why.

Skrill says the withdrawal of funds was only possible after a six-digit code was entered online. It says that this code was set by Mr G and hadn't been reset until after the breach was complained about. But it hasn't provided evidence from the dates of the disputed transactions – only the system records from the date Mr G reset the code after he regained access. So, I'm not persuaded the six-digit code was not reset on 7 January 2024 when Mr G's Skrill account and email had been hacked.

Skrill says it is against its terms and conditions for Mr G to share his online security information – including the six-digit code which was used to authorise the withdrawal. But there is no evidence to persuade me Mr G has shared this information. Mr G states he has never shared this with anyone, hasn't been tricked into sharing this information and hasn't written it down anywhere for someone else to find. However, the hackers were able to successfully access Mr G's online Skrill account, so it seems they were sophisticated hackers who could've found this information out after gaining access to his email.

Mr G says his google account stores some of his passwords and he has provided evidence that he received an email stating "New apps have access to your stored data" – on the date of the account compromise. And an app called "Thunderbird" had been installed. Mr G says he didn't do this himself, and this might have been what the hackers used to extract his saved passwords and passcodes from his google account. I am not familiar with this software, so I can't say for sure that this is what happened. But this does present a plausible possibility. In any event, it is not necessary for me to determine exactly how someone else was able to complete the unauthorised transactions. My role is to determine whether the transactions were likely unauthorised and whether there is evidence that Mr G had been grossly negligent in allowing this to happen. And I can't say that there is enough evidence to persuade me that he was.

We tried to engage with Skrill for more information and detail to understand how it felt that Mr G had been grossly negligent. However, we received little response. Overall, both parties agree this transaction was unauthorised, and from the evidence I've seen, I am not persuaded Mr G was grossly negligent as defined by the PSRs 2017.

Putting things right

Skrill Limited should refund Mr G for all the money lost as a result of the unauthorised transactions, including any associated fees or currency exchange losses suffered. It should also add 8% simple interest from the date of the loss until the date the money is returned.

My final decision

I am upholding this complaint. Skrill Limited should put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 30 December 2025.

Sienna Mahboobani
Ombudsman