

The complaint

Mr R is a sole trader. He complains that Stripe Payments UK Ltd behaved unreasonably as it withheld his money which he'd like returned.

What happened

Mr R told us:

- He had money in another country and had used Stripe to transfer funds to himself. He now realised he'd made a mistake in using Stripe to make these transfers, as it was a payment service provider for businesses.
- His account with Stripe had balances of around €6,600 and \$0.50. Stripe was withholding his money unfairly and he wanted it returned. He felt this was because Stripe was expecting an IPO and wasn't behaving correctly as a business.
- He felt Stripe were manipulating the exchange rate costs as he was losing funds when refund payments were made to his account. He'd made three payments in October 2024, and only one of these had been refunded but it had been around 3% less than the original transaction.
- He wanted all his funds returned to him without any exchange rate losses and compensation for the inconvenience caused.

Stripe told us:

- Mr R had opened the account with it as a sole trader offering consultancy services, not as a personal account.
- Mr R's account was deemed to be 'high risk' after it had undertaken a review, so it had decided to close his account. in line with its service agreement.
- In line with the agreement terms, it had held Mr R's balance until the 120-day dispute period for any chargebacks had passed. Once the dispute period had passed it had the EUR balance to Mr R. It hadn't returned the USD balance as that had been less than a dollar, and the minimum transaction value for this currency was \$250.
- There hadn't been any interest rate manipulation, Mr R could have raised a dispute to request the return of the funds sooner but hadn't done so because the exchange rate wasn't in his favour, so he decided against this.

Our investigator recommended that Stripe refund Mr R the \$0.50 balance it held in his account. However, she thought Mr R ought reasonably to have been aware that the Stripe account could only be used for business purposes, so it was fair that Stripe had closed Mr R's account when it wasn't used in that way. She also didn't think it was unreasonable that Stripe had held Mr R's money until any chargeback period had passed, particularly

given Mr R's account history. She was also satisfied that the fees that had been deducted by Stripe were in line with its service agreement.

Mr R didn't agree and asked for his complaint to be referred to an ombudsman. He said that Stripe had behaved in a discriminatory way by restricting his funds due to risk. He also didn't think it was fair for Stripe to deduct the fees from the transactions.

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.

Having done so, I'm sorry to disappoint Mr R but there's not much more that I can add to what our investigator has said.

Mr R says that Stripe behaved unfairly and in a discriminatory way when it held his money for a period of time due to a perceived risk of chargebacks on his account. But I don't agree. Stripe's terms say that it is able to hold its client's funds as security against any liabilities that it may incur under its agreement to provide the account holder with a service. Stripe's terms are also clear that the account holder will be responsible for any losses related to any payments, not Stripe. In this case, I've seen Mr R's account history, and I can see that there were lots of cancelled and failed payments. Furthermore, Mr R told our service that he was intending to raise a chargeback himself to request the return of his funds.

So, I think it was reasonable that Stripe had concerns that if it allowed Mr R's funds to be removed immediately that it would be at risk of incurring a loss and therefore held his money within the reserve account. Stripe told our service that it was only holding funds until the period for any chargebacks to be claimed had passed. I've seen evidence that Stripe returned Mr R's EUR balance once that period had passed, so I think it behaved reasonably here, and I can't fairly award compensation for the delay in returning the funds.

Mr R told us that he was unhappy that his USD balance wasn't returned as expected and that Stripe had manipulated the exchange rate to cause him a loss. However, Stripe told our service that it wasn't initially able to return Mr R's USD balance as this was less than a dollar and there was a minimum transaction value of \$250 for USD payments. It told our service that once Mr R was able to meet this threshold, it would have returned this \$0.50 to him. I think Stripe should have explained this to Mr R when he requested the return of his money or looked for an alternative way to return his funds. However, I can see that Stripe returned Mr R's funds with an additional balance in EUR so that it could meet our investigator's recommendation, so I think it's done enough to put things right.

I recognise that Mr R says that Stripe has caused him a loss because he received back less than the initial transaction and he thinks it has manipulated the exchange rates, but I'm not persuaded that's the case. Stripe told our service that it could have looked to return Mr R's money sooner, but he didn't want to raise a dispute as the exchange rate wasn't favourable to him and declined to proceed. Furthermore, I've seen the payments that Mr R made and received, and I can see these are simply less the fees which were payable to Stripe. I understand that Mr R feels these fees should be refunded, but Mr R agreed to pay these fees for transactions when he accepted the agreement with Stripe. Therefore, Stripe hasn't done anything wrong in deducting the fees before paying the remaining balance to Mr R and I won't be asking it to refund them.

I'm sorry to disappoint Mr R as I know he wanted the fees refunded and compensation for the delay in returning his funds. However, I don't think Stripe made a mistake in charging the

fees or holding the payments, and I'm satisfied that it has done enough to put things right now Mr R has his money back. So, I won't be asking Stripe to do anything more.

My final decision

Stripe Payments UK Ltd has already refunded Mr R's remaining USD balance as recommended by our investigator, and I am satisfied that is enough to resolve the complaint.

Therefore, I make no additional direction, and I do not require Stripe to do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 15 December 2025.

Jenny Lomax
Ombudsman