

The complaint

Mr V complains that Skrill Limited declined to refund disputed transactions that were made from his account.

What happened

In February 2024 Mr V noticed that payments had been made from his bank account to his account with Skrill – and from there payments had been made to a cryptocurrency exchange that he says he didn't authorise. Mr V is disputing five payments to the cryptocurrency exchange which were made on 26 February 2024, totalling £792.

Mr V reported the disputed transactions to Skrill and asked it to refund the money. But Skrill didn't believe it was liable for his loss. Mr V then raised a complaint. In response, Skrill said:

- It does not have sufficient evidence to uphold Mr V's claim that his account was used without his authorisation.
- The disputed transactions were completed by passing 3DS secured payment through an SMS sent to Mr V's mobile phone. This means the person who made the transactions had access to information to which only Mr V should have access, including his phone.
- It would not be refunding the disputed transactions.

Mr V then referred his complaint to our service where it was considered by one of our investigators. She didn't think Mr V's complaint should be upheld, as she couldn't see how the disputed transactions could've been made without Mr V's involvement.

Mr V didn't agree. He felt evidence he had provided had been ignored, and felt our investigator had reached her conclusions with no substantiating evidence.

As no agreement could be reached, 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.

Having done so, I realise this will come as a disappointment to Mr V, but I've reached the same conclusions as our investigator, for similar reasons.

The relevant law here is the Payment Services Regulations 2017 (PSRs) – these set out what is needed for a payment to be authorised and who has liability for disputed payments in different situations. With some exceptions, the starting point is that the consumer is responsible for authorised payments, and the business is responsible for unauthorised ones.

The PSRs specify that authorisation depends on whether the payment transactions were authenticated correctly – and whether Mr V, or someone acting on his behalf, consented to them.

The PSRs go on to specify how consent is given. It must be in the form, and in accordance with the procedure, agreed between Mr V and Skrill. I've reviewed the terms of Mr V's account with Skrill but it doesn't appear to specify exactly how Mr V gives consent to card payments. But broadly speaking, this is usually through entering the long card number, the card expiry date and CVV into the merchant's website (in this case, the website of the cryptocurrency exchange).

Mr V can't explain how the transactions came to be made, but he says he didn't agree to the payment instructions. Skrill says they were authorised on Mr V's device, by 3DS – which included a text message sent to Mr V's phone number. Mr V says he didn't receive any text, but from Skrill's evidence, I'm satisfied this was sent to his correct phone number.

Mr V hasn't given any explanation as to how someone else could've intercepted the text that was required as part of the process to authorise the disputed transactions. I've also seen evidence to show that the disputed transactions were processed from Mr V's own device across more than a four-hour period – the same device that was used to set up the account and make genuine transactions before the disputed ones took place. I've not seen anything to suggest there was malware on Mr V's phone. Mr V says he didn't receive any suspicious calls or messages, didn't disclose the content of the text sent to his telephone number, and didn't download any remote access software either. So, it's unclear how the content of the text message could've ended up in the possession of an unauthorised party. But I'm satisfied that the technical evidence demonstrates the text message sent to Mr V's telephone number was then used to pass 3DS, which enabled the disputed transactions to be made, again from his own device.

So, in the absence of any evidence to explain as to how else someone else came to be in the possession of Mr V's phone, to not only make the payments from it, but to also intercept the text message to enable the successful 3DS authorisation, I find – on balance – Mr V must have been involved in some way. It's possible Mr V authorised the transactions as part of scam. But Mr V is adamant he wasn't, and in his own words, him being the victim of a scam 'could not be further from the truth.' So, in view of the evidence I've seen, and in the circumstances he's described, I can't fairly conclude that the transactions were carried out by an unauthorised individual.

Overall, while I accept that something must have happened for these transactions to have taken place, I've seen no persuasive evidence to demonstrate how that could have been done without Mr V direct involvement. So I find it's fair for Skrill to have treated the transactions as authorised by Mr V, and therefore it follows that it's entitled to hold him liable for them.

I was sorry to hear of the impact this situation has had on Mr V. He's told us he has a young family and being without the £792 has caused many difficulties. I appreciate this can't have been an easy time for him at all, and I'd like to thank him for his continued patience whilst his complaint was waiting to be passed to me for this decision to be made. But for the reasons I've explained, I can't fairly ask Skrill to refund the £792 to him.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 22 December 2025.

Lorna Wall

Ombudsman