

## The complaint

Mr A complains that Skrill Limited restricted access to his account, closed it without notice and failed to release his funds. He'd like the funds released.

## What happened

Mr A had an account with Skrill.

On 23 December 2021 Skrill started an audit of Mr A's account and temporarily blocked it.

On 17 February 2022 their audit was completed with a balance of 21,405.20 dollars and additional cryptocurrency. However, Mr A's funds weren't released.

Mr A complained to Skrill - but they didn't think they'd acted unfairly. They referred to their terms and conditions including *'it's strictly forbidden to use your account for illegal purposes'* and *'we may at any time suspend or terminate your account without notice'*.

One of our Investigators looked at Mr A's complaint. They thought Skrill acted fairly in restricting and closing his account, but should have released his funds. They asked Skrill to release Mr A's funds plus 8% from the date of restriction to the date of release.

Mr A accepted but Skrill didn't. Skrill argued they'd acted fairly in restricting and closing Mr A's account. And refusing to release the funds. They didn't believe they should be required to release the funds or compensate Mr A.

As Skrill didn't agree the case was passed to me to decide.

After reviewing everything, I reached a different decision to our Investigator. In summary I thought Skrill acted fairly in restricting and closing Mr A's account – and not releasing Mr A's funds.

Skrill accepted my decision.

Mr A didn't agree. In response he said:

- He hasn't violated any of Skrill's terms, rules or policies
- He'd like Skrill to specify where he's breached their rules
- Why is the Financial Ombudsman Service saying they don't investigate cryptocurrency?

Mr A also shared several documents including evidence he was a premium account holder, emails showing cryptocurrency exchange transactions and standard routine checks.

## 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 my provisional decision I said:

*Skrill made its submission in confidence. Our rules permit this; it's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it.*

*Here, the information (and its source) is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Skrill has treated Mr A fairly. So I'm persuaded I should take it into account when deciding the outcome of the complaint.*

*Restriction and account closure:*

*Skrill are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of new and existing relationships. That sometimes means they need to restrict customers' accounts – either in full or partially while they carry out their review. I've considered Skrill's terms and conditions and term 16.4 says - We may at any time suspend or terminate your Skrill Account without notice if ... (sic).*

*I'm satisfied they've complied with this term when restricting and closing Mr A's account.*

*Having looked at what's happened I appreciate why Mr A may have found this inconvenient, but Skrill must ensure they keep their due diligence checks updated at all times.*

*Skrill can only close accounts in certain circumstances and if it's in the terms and conditions of the account. Skrill have relied on the terms and conditions when closing Mr A's account. The terms explain that the bank can close the with notice. I've considered the full circumstances of this complaint and I agree Skrill were entitled to close the account.*

*Withholding of funds:*

*I realise this will disappoint Mr A however the selling, trading and operating of cryptocurrency accounts isn't something regulated by the Financial Conduct Authority (FCA). What this means is it isn't something our service has the power to comment on. This includes whether or not Skrill have acted fairly in restricting and failing to release his cryptocurrency.*

*However, I can consider whether Mr A's FIAT funds were fairly withheld during the restriction – from 23 December 2021 to 17 February 2022 – and following the closure Mr A's funds weren't released. I understand Mr A wants to have these funds back – and he's frustrated by Skrill's actions. However I'm afraid I won't be directing Skrill to release these funds. Having reviewed the evidence supplied by Skrill and Mr A I'm satisfied that Skrill have acted fairly in not releasing Mr A's funds.*

*For the reasons I've outlined above I'm not planning to ask Skrill to do anything further.*

Mr A didn't accept my Provisional Decision. In response he highlighted a number of points – I've considered these below:

*He didn't violate any of Skrill's terms and he'd like to know which condition he's breached:*

I've considered what Mr A's said here, but having done so I'm afraid I won't be able to share any further detail with him. I appreciate that'll disappoint him, but as I explained in my Provisional Decision Skrill are entitled to share information with our service in confidence, if

it's sensitive and I believe it shouldn't be disclosed. I'm persuaded that the information that has been shared with me is sensitive and shouldn't be disclosed. However, Skrill have previously explained to our service and Mr A which terms and conditions they relied on when restricting, closing and withholding Mr A's funds. I've listed these below:

*11.4. It is strictly forbidden to use your Skrill Account for any illegal purposes including but not limited to fraud and money laundering. We will investigate and report any suspicious activity to the relevant law enforcement agency. We reserve the right to charge you in our sole discretion an administration fee as displayed in the "Fees" section of the Website for every investigation we undertake into any such suspicious activity, including where we get notified thereof by any third party whom we partner with. You are prohibited from using your Skrill Account in an attempt to abuse, exploit or circumvent the usage restrictions imposed by a merchant or a Third Party Provider on the services it provides.*

*16.4 We may at any time suspend or terminate your Skrill Account without notice if:*

*16.4.1. you breach any condition of these Terms of Use or any other condition applicable to specific services covered by separate terms and conditions;*

*16.4.3. we have reason to believe that you are in any way involved in any fraudulent activity, money laundering, terrorism financing or other criminal activity*

I understand that I've been unable to share Skrill's reasons for restricting, closing and withholding Mr A's funds with him – but I'd like to reassure him I've considered their reasons, and reviewed the relevant terms and conditions, and having done so I'm satisfied they acted fairly.

*Jurisdiction of the Ombudsman Service:*

Mr A's queried why our service can't consider complaints about cryptocurrency. I'm afraid as I explained in my Provisional Decision our service only has the power to consider products that are regulated by the FCA. And unfortunately the selling, trading and operating of cryptocurrency accounts isn't something regulated by the FCA. This includes whether or not Skrill have acted fairly in restricting and failing to release his cryptocurrency. For this reason I don't have the power to consider this part of Mr A's complaint.

For the reasons I've outlined above I won't be asking Skrill to do anything further.

## **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 May 2024.

Jeff Burch  
**Ombudsman**