

The complaint

Mr S complains Skrill Limited (“Skrill”) restricted and closed his account without explanation. He also complains Skrill has withheld his funds.

To put things right, Mr S wants the account reopened so that he can transfer funds from other trading accounts without which he won’t be able to do so.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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.

Having done so, I have decided not to uphold this complaint. I know Mr S feels strongly about it, so I’ll explain why.

Electronic Money Institution’s (“EMI”) in the UK, like Skrill, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Skrill needs to restrict, or in some cases go as far as closing, customers’ accounts.

Skrill has provided me with an explanation, and supporting evidence, to show why it reviewed and restricted Mr S’ account. Having carefully considered this, I’m satisfied it did so in line with its obligations.

Skrill is entitled to close an account just as a customer may close an account with it. But before Skrill closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Skrill and Mr S had to comply with, say that it could close the account by giving him at least two months’ notice. And in certain circumstances it can close an account immediately or with less notice.

Skrill effectively closed Mr S’ account with immediate effect. From the information I’ve been given, I’m satisfied it has done so in line with the terms of the account.

I know Mr S wants a detailed explanation, and I can understand why this is so important to him. But Skrill is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Skrill has provided is information we consider should be kept confidential.

Mr S says he wants Skrill to reopen his account and not close it permanently. But the account has already been closed in this way, and I've seen no reason why it should be reopened given I don't think Skrill has done anything wrong in closing it.

Skrill has asked Mr S to provide it with documentation to validate his ID before it will release the funds to another of his accounts. Mr S has not done this because he says he doesn't want Skrill to permanently close his account.

Skrill has an obligation to ensure it has up to date information about its customers. This is an ongoing obligation. Given the concerns Skrill has, I'm satisfied it's acted in line with those obligations, and has done so fairly, by asking for the information it has. So, to help him gain access to the funds, Mr S should send Skrill the information it's asked for.

Mr S says this matter has caused him financial loss, distress, and inconvenience. But having looked at what's happened in this particular case, I can see no basis on which I might make an award against Skrill given I don't think it's done anything wrong.

So I'm not going to ask Skrill to compensate Mr S.

My final decision

For the reasons above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 July 2024.

Ketan Nagla
Ombudsman