

The complaint

Ms M has complained that Skrill Limited ("Skrill") closed her account.

What happened

Ms M opened an account with Skrill in October 2022.

Following Ms M's application, Skrill required that Ms M provide documents to verify her identity and address. However, as the submitted documents did not meet Skrill's requirements, it placed a restriction on the account in March 2023, and prompted Ms M to provide further documentation. After Ms M had submitted documentation, Skrill decided to close Ms M's account. Skrill charged an administration fee of \$146.01USD on 24 April 2023, bringing the account balance down to zero, and closed the account.

Unhappy with this, Ms M complained to Skrill about its decision to close her account.

In response to the complaint, Skrill said that Ms M had not adhered to its terms and conditions. It also explained that it could close Ms M's account with immediate effect, if she had breached the terms and conditions of the account.

After Ms M referred her complaint to this service, one of our investigators assessed the complaint, and they did not uphold the complaint. They concluded that what Skrill had done was fair.

Ms M disagreed with the investigator's assessment, so the matter was referred for an ombudsman's 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 reviewed everything, I don't think the complaint should be upheld. I will explain why that is.

Skrill, like all financial businesses in the UK, have to meet strict legal and regulatory requirements when providing accounts to their customers. One of the key requirements of financial businesses when opening and operating an account, is being able to confirm the identity of their consumers. And if they're not able to do this to their satisfaction, then they may need to restrict or close the account. There is provision for this in the terms of the Skrill account. In Ms M's case, I'm satisfied Skrill was acting in line with these requirements when asking for her identification and address verification documents. The account was newly opened so Skrill would need verification of her Identity and address.

Generally, it's up to financial businesses whether they want to provide financial services to a consumer, or potential consumer. Unless there's a good reason, our service won't generally say a business must keep an account open or reopen a closed account. Skrill reviewed the identification provided as part of its processes and decided to close the account. Having reviewed the evidence, I'm satisfied that the concerns Skrill had were legitimate. As such it's not unreasonable that Skrill closed Ms M's account in the circumstances.

I note that when Skrill took the decision to close Ms M's account, it charged her an administration fee of \$146.01USD. The terms of the account that were in place at the time, allowed Skrill to charge a fee of up to €150EUR if it closed a consumer's account in such circumstances. Ms M will have had to have read and agreed to these terms before she opened the account. And the amount charged looks to have been within the amount stated in the terms and conditions. So, I'm satisfied Skrill was entitled to charge this fee.

Finally, when Ms M referred her complaint to this service, she provided further documentation to prove her identity and address. However, Ms M needed to provide those documents to Skrill, because ultimately it is up to Skrill to assess them and determine if they are sufficient for its identity and address verification checks. But in any event, given that Skrill had already decided to close Ms M's account for legitimate reasons, and given that Ms M had already had plenty of time in which to provide further documentation to Skrill, I don't think it would be appropriate to tell Skrill to open a new account for Ms M, just because Ms M had provided further documentation. Ultimately, if Ms M wishes to do this, she would need to go through Skrill's standard account application process.

So in summary, I think that Skrill acted fairly and reasonably when it took the decision to close Ms M's account. I also think it was able – according to the terms and conditions in place at the time – to have applied the administration fee on Ms M's account. Because of this, I don't think it would be appropriate to tell Skrill to reopen Ms M's account or to refund Ms M the administration fee that was applied on her account when it was closed.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 20 February 2024.

Thomas White
Ombudsman