

## **The complaint**

Mr C complains Skrill Limited (Skrill™) blocked his account and then closed it without explanation or notice.

Mr C says this has caused him financial loss, inconvenience and he would like the account re-opened.

## **What happened**

On 5 September 2022, following an internal review, Skrill restricted Mr C's access to his account – which meant he didn't have access to his funds of around £47,000. On 20 October 2022, Skrill decided to close Mr C's account with immediate effect and released his funds to him.

Unhappy with Skrill's actions, Mr C complained. Skrill did not uphold Mr C's complaint, and in summary said:

- The actions Skrill took were in line with the terms and conditions of the account
- It can't give Mr C a more detailed explanation

Mr C referred his complaint to this service.

Mr C says he used his Skrill account for facilitating investments, something he's been doing since he opened it in 2010. And it being closed in this way has meant he's lost out on investment opportunities in the region of £1,000. He also says that it will take many weeks for him to open a similar account with another provider.

Mr C feels he hasn't done anything wrong, and that he's prepared to stop using his credit card that has a reward scheme for when it's being used. But he wants the account re-opened.

One of our Investigator's looked into Mr C's complaint. They recommended the complaint is upheld in part. In short, they found:

- The account review was carried out in line with Skrill's legal and regulatory obligations, the terms of the account, and done so fairly
- Skrill didn't do anything wrong by closing the account without explanation, but it should have given Mr C two months' notice as per 16.1 of its terms and conditions
- Mr C has explained how being without the use of his account impacted his ability to carry out investments. And opening another account which allowed him to do so took weeks to arrange. If Mr C was given the correct notice, he would've been able to transition to another account without disruption
- Mr C hasn't been able to show he suffered financial loss, so no other compensation is being awarded. But Skrill's immediate closure would have caused him distress and

inconvenience – so Skrill should pay Mr C £150 compensation

Skrill did not agree with what our Investigator said. It maintained that the immediate account closure was done in line with its terms and conditions of account. Mr C says his account manager at Skrill said he could continue using his credit card, so he finds it outrageous Skrill can close his account based on something he was told he was okay to do. Mr C wants the account re-opened.

As there is no agreement, this 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've decided to uphold this complaint in part. I'll explain why.

Financial businesses 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 they need to restrict, or in some cases go as far as closing, customers' accounts.

I've carefully considered Skrill's reasons for reviewing and restricting Mr C's account. Having done so, I'm satisfied it acted in line with its legal and regulatory obligations. I'm also persuaded that it didn't cause any undue delay in doing so.

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 C had to comply with, say that it could close the account by giving him at least two months' prior notice – section 16.1. And in certain circumstances it can close an account immediately or with less notice.

I'd like to assure both parties that I've carefully reviewed the terms of account, Skrill's reasons for closing the account immediately, and the information given me. Having done so, I'm not persuaded Skrill did enough to warrant closing Mr C's account down in the way it has. Based on the evidence I've seen I think it should have given Mr C two months' notice of closure.

Mr C says he's lost out on investment opportunities. But such investments aren't guaranteed to yield a profit. Nor has Mr C suffered an actual or material loss. I'm persuaded that Mr C was most likely using the account in the way he says he was to facilitate investments. And he's shown that he faced obstacles in attempting to open another investment facilitating account.

So I'm persuaded having his account closed in the way it was, caused him some distress, but mainly inconvenience. This would likely have been avoided if he had been given two months' notice. So because of that I'm satisfied £150 is fair compensation.

I've already said that Skrill didn't do anything wrong by closing Mr C's account – only the notice which it gave. So I don't think its required to re-open the account.

I know Mr C would like an explanation for why Skrill restricted and closed his account. And I note he thinks its to do with the use of a reward giving credit card he used to upload funds.

But Skrill are under no obligation, that I'm aware of, to give him an explanation.

I'd also add that our rules allow us to receive evidence in confidence. We may treat evidence from regulated financial businesses 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.

### **My final decision**

For the reasons above, I uphold this complaint in part. Skrill Limited must now pay Mr C £150 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 January 2024.

Ketan Nagla  
**Ombudsman**