

## The complaint

Mr J complains that Skrill Limited closed his account and retained the funds in the account as a fee. He'd like the funds returned to him.

## What happened

Mr J opened an account with Skrill in December 2021, and deposited 5,000INR. He then made several attempts to verify his ID with Skrill, but the business rejected his ID. In January 2022 Skrill decided to close his account with immediate effect. They also applied an "administration fee" of 5,000INR.

Unhappy with this Mr J complained, saying it wasn't fair that Skrill had closed his account and kept his funds. Skrill responded to say they'd stuck with their own internal procedures when deciding to close his account. They referred Mr J to the terms of the account which explained why they would charge the administration fee.

Mr J then referred the complaint to our service. One of our investigators took a look and thought the complaint should succeed in part. She didn't think Skrill had done anything wrong by closing the account. But she felt that any checks on Mr J's identity could have been completed before the account opened, and money deposited. She thought it was unfair for Skrill to retain the deposits, and asked for the 5,000INR to be returned to him.

Skrill rejected this as an outcome and asked for an ombudsman to decide. As such, the complaint was been passed to me. I reviewed the evidence and issued a provisional decision that said:

*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 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 Mr J's case, I'm satisfied Skrill were acting in line with these requirements when asking for his identification. The account was newly opened so Skrill would need verification of his identity.*

*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 their 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 Mr J's account.*

*I appreciate Mr J's main concern is the 5,000INR Skrill withheld as an administration fee when his account was closed. This was the total balance in the account, and I can understand why he'd want it back.*

*I'm sympathetic to the argument that Skrill could have carried out their identification checks before allowing Mr J to deposit funds. But I'm also mindful that the terms of the account allow Skrill to charge a fee of up to €150 if they close a consumer's account. This is a clearly displayed term. Mr J will have had to have read and agreed to these terms before he opened the account. So, I'm satisfied Skrill are entitled to charge this fee.*

*At the time the account was closed the 5,000INR held in the account was less than €150. I've already mentioned that I think Skrill acted fairly in their review and closure of Mr J's account. So, based on the terms he agreed to, I don't see it's unfair for Skrill to charge the administration fee. As such I'm not intending to ask them to waive it.*

Skrill responded to say they accepted the provisional decision. Mr J did not respond.

### **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, and in the absence of any new evidence to consider from either party, I remain satisfied with the conclusions reached in the provisional decision. I don't see that Skrill were unfair in reviewing and closing Mr J's account. And I'm satisfied that the fee retained for administration is in line with the terms of the account. So, it's not unreasonable for Skrill to retain this. As such, I don't see that Skrill need to do anything further to resolve this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 18 September 2023.

Thom Bennett  
**Ombudsman**