

## **The complaint**

Mr W complains that PayPal Europe Sarl & Cie, SCA registered a default on his credit file in relation to his credit account.

Mr W made an earlier complaint about irresponsible lending, which isn't dealt with here.

## **What happened**

In December 2017, Mr W applied for a PayPal credit facility. His application was accepted and PayPal gave him a credit limit of £2,500 for making purchases online. Mr W used the credit facility but had difficulty making the repayments. In February 2019, PayPal registered a default on Mr W's credit file.

Mr W says that PayPal defaulted his account without telling him. He says that PayPal said that it shouldn't have taken action while his complaint about irresponsible lending was ongoing. Mr W says that means Paypal shouldn't have registered the default.

One of our investigators looked at what had happened. She said that PayPal sent a notice of default to Mr W at the address it had for him. The investigator said that if that address wasn't up to date, it was Mr W's responsibility to tell PayPal his new address. So, she didn't think that PayPal had acted unfairly or failed to notify him before defaulting the account.

The investigator said that whilst PayPal may have issued the default earlier than it should have done, the account would still have been defaulted, so she didn't think that it had done anything wrong.

Mr W didn't agree with the investigator. He said that PayPal had contradicted itself throughout this process. Mr W reiterated that PayPal said that it should have stopped all action pending the outcome of his original complaint. Mr W said that he'd tried to speak with PayPal to resolve things but without success. He said that he'd been seriously ill between October 2018 and April 2019, so if he missed something during that period, it would have been unintentional. Mr W says that this matter has affected his health, family and future plans.

As there was no agreement between the parties, the complaint was passed to me, an ombudsman, 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 don't think that PayPal has treated Mr W unfairly and I'll explain why.

In January 2019, PayPal sent Mr W a default notice to the address it had for him. That's a different address than Mr W's current address. As the investigator said, it was for Mr W to tell PayPal about any change of address. Based on what I've seen, I'm satisfied that PayPal

sent a default notice to Mr W. It's unfortunate if Mr W didn't receive it, but I don't think that was PayPal's fault.

Mr W has provided an extract of his credit report which shows that he'd missed seven payments by the time PayPal defaulted the account. In the circumstances that arose here, PayPal was entitled to default the account.

In an e-mail to Mr W in June 2019, PayPal said it usually ceases collections activity pending the outcome of a complaint to this service. It registered the default whilst Mr W's previous complaint was ongoing. But I don't think that alters the fact that PayPal was entitled to register a default. It would be to Mr W's detriment if I were to direct PayPal to change the default to a later date, as that would mean that the date the default would no longer show on his credit file would be further away.

I'm very sorry to hear of Mr W's ill-health. And I'm sorry to disappoint him, but there are no grounds on which to direct PayPal to remove the default.

### **My final decision**

My final decision is that I don't uphold Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 June 2020.

Louise Povey  
**Ombudsman**