

The complaint

Mr R is unhappy that PayPal Europe Sarl & Cie, SCA ended its business relationship with him and with how it dealt with the balance of his account.

What happened

Mr R had an account with PayPal. In September 2020 PayPal placed a limitation on the account. Mr R was then asked to provide information. PayPal reviewed the information Mr R provided and realised that the account was opened prior to Mr R being 18 (although Mr R says he is now 22). PayPal determined the account represented a risk. As a result, it ended its business relationship with him on 17 September 2020.

Mr R says when his account was closed in September 2020, there was an account balance of £254 and he asked for this to be returned to him. PayPal eventually allowed Mr R access to the funds, which were withdrawn. But there was a refund to an electronic marketplace provider, which left a debit balance which Mr R says he was pursued for by a collection agency.

Mr R feels that as he is old enough for the account now, he should have been allowed to keep the account. He also feels he received poor service on two occasions. He says on one occasion an advisor laughed at him on the telephone and the other the adviser refused to transfer him through to a manager.

The investigator recommended the complaint be upheld in part. He felt PayPal was entitled to end their business relationship with Mr R and to limit his access to his money. He noted that Mr R had said that his debt had been sold on to a collection agency. He also noted that PayPal had told him that as it identified that Mr R was under the age of eighteen when the account was created, he will not be liable for the amount owed. Therefore, the investigator did not comment on this element further, as PayPal was not pursuing Mr R for the debt.

The investigator asked PayPal to provide call recordings three times. It didn't do so although it said it would. The investigator therefore gave his view based on the evidence he had and concluded that Mr R was provided with poor service in the way Mr R had described – that is being laughed at and refusing to allow him to speak to a manager. The investigator thought that PayPal should compensate Mr R £100 for the trouble and upset caused.

PayPal has asked for an ombudsman's decision as it disagrees with the investigator's view. It hasn't explained why it disagrees.

Provisional decision

I didn't agree with the investigator's view and so I issued a provisional decision. I said I thought PayPal's terms and conditions allowed it to place limitations on Mr R's account and to decide to close it. So, I didn't think it did anything wrong when it did so.

Mr R's account has a debit balance and Mr R has told this service the debt has been sold. The investigator didn't make any recommendation about this because PayPal had told him

that it wouldn't be pursuing Mr R for this debt. But I said if it had sold the debt then this may not be within PayPal's control. I hadn't seen anything to suggest PayPal was wrong to sell on the debt if it did. I said it was therefore for Mr R to deal with the owner of the debt.

I said I was disappointed that PayPal hadn't provided the calls as requested. I could see why the investigator had reached the view he did. But having read some of Mr R's messages to PayPal I was not persuaded that either PayPal did provide him with poor service or if it did that Mr R should be compensated. Some of his messages from Mr R contain language I couldn't repeat and are offensive. In this context I thought it wouldn't be the right outcome for Mr R to be compensated for being offended when he had written some offensive things to PayPal. I also thought that he was likely to have adopted a similar tone in the relevant calls and that the advisers may have responded to that tone.

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.

PayPal didn't respond.

Mr R did. He said:

- PayPal won't allow him to open any more accounts because he's raised issues with it.
- After he brought this complaint to this service PayPal passed the debt to a third-party company and he doesn't think this should be allowed. It has caused him stress and affected his credit file.
- He was angry and rude in calls to PayPal because he was getting laughed at and no help was given as a result of PayPal's mistake. He thinks PayPal is refusing to give the call because it knows he is right, and it is wrong. He thinks I am looking at PayPal's side only.
- He thinks PayPal should clear any debt caused by it and resolve any action caused to his credit score because it shouldn't have been passed to a third party during this situation.

Regarding Mr R's first point – that PayPal won't let him open any more accounts - the investigator correctly explained to Mr R that this is a new complaint and so he needs to complain to PayPal first before we could look at this.

Setting aside PayPal's handling of calls with Mr R, I am satisfied it has done nothing wrong here. PayPal's terms and conditions allow it to place limitations on Mr R's account and to decide to close it. PayPal is also entitled to sell on any debts it has.

Regarding the calls, I would prefer to be able to listen to the calls, but I haven't been given them, so I need to look at the evidence I have. From that evidence I can see Mr R has said he was angry and rude in his call to PayPal but as a reaction to PayPal's handling of the call. Mr R thinks that PayPal is refusing to give the calls because it knows he is right, and it is wrong. I don't think that is likely to be the reason. As I have already explained, I don't think PayPal was wrong to place limitations on his account or to decide to close it.

From what Mr R has said – that he was angry and rude as a reaction to PayPal – we know he didn't handle them as well as he could have done. We also know he says PayPal provided poor service. Overall, I think if I listened to the calls, I would conclude that both parties didn't handle the calls as well as they could have done. And in these circumstances, I think it would be wrong to award compensation to Mr R for PayPal's handling of the calls.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 11 August 2021.

Nicola Wood
Ombudsman