

The complaint

Miss C is unhappy that PayPal Europe Sarl & Cie, SCA, put a permanent limitation on her account.

What happened

In February 2021, PayPal put a permanent limitation on Miss C's account. Miss C wasn't happy about this, so she raised a complaint.

PayPal looked at Miss C's complaint, but they noted that they'd permanently limited Miss C's account because the usage of the account had been in breach of their Acceptable Use policy, so they didn't uphold Miss C's complaint.

Miss C wasn't satisfied with PayPal's response, so she referred her complaint to this service. One of our investigators looked at this complaint. But they also felt that PayPal hadn't acted unfairly by permanently limiting Miss C's account, and so they also didn't uphold Miss C's complaint.

Miss C remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

I can appreciate how it must have been frustrating for Miss C to have been told that the usage on her account contravened PayPal's Acceptable Use policy and that it was for that reasons that her account had been permanently limited by PayPal, but to not be told specifically which aspect of that policy her account activity was supposed to have contravened.

PayPal have confirmed to this service that the reason they permanently limited Miss C's account was because Miss C had used the account for the sale of lottery or raffle tickets, which are activities that are prohibited in PayPal's Acceptable Use policy, as quoted below:

“Activities involving gambling, gaming and/or any other activity with an entry fee and a prize, including, but not limited to casino games, sports betting, horse or greyhound racing, fantasy sports, lottery tickets, other ventures that facilitate gambling, games of skill (whether or not legally defined as gambling) and sweepstakes, if the operator and customers are located exclusively in jurisdictions where such activities are permitted by law.”

It's up to a business to decide whether it will provide, or continue to provide, its services to a customer. What this service would expect would be that if a business decided to stop providing a level of service to a customer, as PayPal have in this instance, that the business

would base that decision on a reasonable premise and that this would be communicated to that customer where appropriate.

In this instance, PayPal reviewed Miss C's account and determined that Miss C's usage of that account included the sale of lottery or raffle tickets, and PayPal have provided evidence to this service which appears to confirm their assessment. As such, given that such account usage does contravene PayPal's Acceptable Use policy, I'd find it very difficult to conclude that PayPal have acted unfairly or unreasonably toward Miss C by placing the permanent limitation on her account that they did.

And, while it may have been the case that PayPal's communication to Miss C regarding this matter could have been clearer, there can be instances where it isn't commercially prudent to provide information to the degree of detail that a customer might want, and so I don't feel that PayPal's level of communication here is something that would warrant any form of censure or compensation in this instance.

I realise that this might not be the outcome that Miss C wanted here, but it follows from this that I won't be upholding this complaint or asking PayPal to take any further action at this time. I hope that Miss C can understand, given what I've explained, why I've made the final decision that I have.

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 Miss C to accept or reject my decision before 24 September 2021.

Paul Cooper
Ombudsman