

## **The complaint**

A charity, which I'll refer to as R, complains that PayPal (Europe) Sarl et Sie SCA will not release the funds in R's PayPal account.

Mr W, who is a trustee of R, brings the complaint on R's behalf.

## **What happened**

In 2017 an employee of R, who I will call Ms S, opened a PayPal account. PayPal says Ms S opened the account using her own first name and last name, and then provided R's name. The email address she used to set up the PayPal account belonged to R ("admin@[R].org.uk").

Ms S left R's employment in 2019. She did not pass on log in details for the PayPal account before leaving, and Mr W says the circumstances of her departure mean she is very unlikely to ever pass on those details. That means neither Mr W nor anybody else at R can access the PayPal account Ms S set up.

PayPal says the only person with authority to access the account is Ms S, and that the only way for R to obtain access is to liaise with Ms S to obtain log in details.

One of our investigators looked at this complaint. He noted that the account in dispute contained only £15.38, and that the charity has since been able to open a new PayPal account. He was satisfied that the money in the disputed account belonged to R, so he recommended that PayPal pay £15.38 to the charity plus £100 for inconvenience.

Mr W accepted our investigator's conclusions, but PayPal did not. It said that this is a privacy issue, and that as Mr W's name is not attached to the account it cannot give him access. It also said that it did not believe Mr W is an eligible complainant under our rules.

Our investigator agreed that Mr W is not an eligible complainant – but he said that R, as a charity, is eligible to have its complaint considered by the Financial Ombudsman Service. PayPal did not agree, so the matter was referred to me.

## **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 am satisfied that the complainant here is R, a charity, and that Mr W merely acts on R's behalf in his capacity as a trustee of R. PayPal is right to say that Mr W would not be an eligible complainant, but that is not the point – the complainant is R.

I am also satisfied that the money in the disputed account belongs to R. Ms S opened the account in her capacity as an employee of R, and she used her email address with R to do so. I therefore consider that R is PayPal's customer in respect of the disputed account, and so R is an eligible complainant under our rules.

I can see why PayPal does not want to give Mr W the ability to log in to the account set up by Ms S, but that isn't the resolution the charity is seeking. R has already opened an alternative PayPal account, and now it just wants access to the £15.38 that PayPal is holding.

I agree with our investigator that the fairest outcome here is for PayPal to pay R the £15.38 remaining in the disputed account. It would not be right for PayPal to pay the balance in the account to Ms S, because she only ever held the money on the charity's behalf. It would also not be right for PayPal to hold the money until Ms S gives her permission for it to be withdrawn, because in these circumstances that would effectively mean PayPal holding on to £15.38 of the charity's money indefinitely.

I also agree with our investigator that PayPal should pay R £100 for the inconvenience caused. I consider that PayPal could and should have offered R alternative means to access its money. In these circumstances, taking into account the amounts involved, PayPal should not have insisted on contact with Ms S once it became clear that was unachievable.

### **Putting things right**

To put matters right, PayPal should close the account complained about and pay £115.38 to R.

### **My final decision**

My final decision is that I uphold this complaint. For the reasons explained above, I order PayPal (Europe) Sarl et Sie SCA to close the account complained about and to pay £115.38 to R.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 12 April 2022.

Laura Colman  
**Ombudsman**