

The complaint

Mr M is unhappy with the service he's received from PayPal (Europe) Sarl et Cie SCA surrounding his request to reset the password on his PayPal account.

What happened

Mr M contacted PayPal via their online chat feature to request a password reset on one of his PayPal accounts. Mr M waited several hours for a response from PayPal, who eventually did send him a link by email to allow the account password to be reset. However, the link PayPal sent was for Mr M's other PayPal account, and not for the account that Mr M had advised PayPal he wanted to reset. Further email links were sent by PayPal to Mr M, but there were also for his other PayPal account.

Mr M wasn't happy that he continued to be unable to access his PayPal account, and he wasn't happy that he'd had to spend many hours over a period of several days trying to resolve this issue, including being promised phone calls by PayPal that he never received. So, he raised a complaint.

PayPal looked at Mr M's complaint. They responded to Mr M explaining why his account had been restricted. However, this didn't address Mr M's complaint about the issues surrounding PayPal not being able to help him reset his password, and the account had only been restricted because Mr M was unable to login to it when he'd tried to.

Mr M wasn't satisfied with PayPal's response, so he referred his complaint to this service. One of our investigators looked at this complaint. They felt that Mr M had been inconvenienced and frustrated by the poor standard of customer service that he's received, and so they upheld Mr M's complaint on that basis and recommended that PayPal make a payment of £100 to Mr M, in addition to any compensation that had already been paid, to compensate Mr M for what had taken place.

PayPal didn't agree with the recommendation put forwards by our investigator, 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 issued a provisional decision on this complaint on 19 May 2022 as follows:

It's clear to me that the standard of service that Mr M received from PayPal when he contacted them to ask for the password on his PayPal account to be reset fell short of the standard that Mr M should be entitled to expect. And I'm satisfied that Mr M did incur consideration frustration and inconvenience because of this.

One reason I say this is because Mr M had to wait over seven hours for his first chat

message to PayPal to be responded to, and when it was responded to, and Mr M was sent a link to reset his password, this link took him to another account that he held which wasn't the account that he was looking to reset. Additionally, PayPal then sent Mr M further links to the wrong account on several other occasions, and also closed Mr M's chats with them before the issue was resolved, meaning that Mr M had to restart the process from the beginning in order to try to make progress.

Furthermore, it's evident from the copies of the chats that Mr M has provided to this service that he was promised phone calls from PayPal to help him resolve the issue, but that these calls were never received. And it's very clear from these chats that Mr M grew increasingly and understandably more and more frustrated.

All of which means that my provisional decision here is that I will be upholding this complaint on the basis of the poor service that Mr M received as partially described above.

I note that our investigator recommended that PayPal should make a payment of £100 to Mr M, above and beyond any compensation that PayPal may have already paid to him, to compensate Mr M for what has happened here. However, given the considerable upset and frustration I'm satisfied that Mr M has incurred here, I don't feel that £100 provides sufficient compensation in this instance, and as such my provisional instructions to PayPal are that they must make a payment of £200 to Mr M which I feel provides a fairer level of compensation for what has taken place. This £200 payment must be in addition to any previous payments of compensation that PayPal may have already made to Mr M.

In my provisional decision letter, I gave both Mr M and PayPal the opportunity to provide any comments or new information they might wish me to consider before I moved to a final decision.

In response, Mr M explained that he felt a higher amount of compensation than the £200 I had provisionally instructed is warranted in this instance and referenced a day rate that he earns in his employment. I can appreciate Mr M's position here, but this service doesn't take a complainant's employment day rate into account, and this because it's the position of this service that no one person's time is any more or less valuable than any other person's time.

Instead, this service arrives at what we feel are fair compensation amounts by considering the full circumstances of the complaint and within the framework of how we decide on compensation amounts for any inconvenience and upset a person may have incurred. Further details regarding this framework can be found on the Financial Ombudsman Service website and working within that framework I can confirm that I continue to feel that £200 is a fair compensation amount in this instance.

Mr M has also requested that PayPal allow him access to the money he holds in his PayPal account. This point was addressed by our investigator in their view of this complaint, and I'd like to apologise to both Mr M and PayPal for not addressing it in my provisional decision. However, my position on this point is essentially the same as outlined by our investigator.

PayPal have explained that a temporary limitation was placed on Mr M's account and that there are steps that Mr M needs to complete before that limitation will be lifted. This doesn't seem unreasonable to me, and I'm satisfied that PayPal have acted within the terms of the account when applying that limitation. As such, I can only refer Mr M to PayPal to discuss the steps he needs to take before the limitation on his account can be lifted.

Finally, PayPal also responded to my provisional decision and maintained that they feel that this complaint shouldn't be upheld in Mr M's favour. PayPal explained that they didn't feel that they should be considered as being at fault for Mr M not being able to remember his account password.

PayPal's position here seems misplaced to me, as this complaint isn't about the fact that Mr M forgot his password, but rather is about the service that Mr M received from PayPal when requesting that his password be reset. And I continue to be satisfied both that the service that Mr M did receive from PayPal in that regard fell below the standard which he should reasonably be entitled to expect, and that PayPal should compensate Mr M for this.

All of which means that I continue to feel that a fair and reasonable resolution to this complaint is that PayPal should make a payment of £200 compensation to Mr M, and I can confirm that my final decision is that I uphold this complaint in Mr M's favour on that basis accordingly.

Putting things right

PayPal must make a payment of £200 to Mr M which I feel provides a fair level of compensation for what has taken place here. This £200 payment must be in addition to any previous payments of compensation that PayPal may have already made to Mr M.

My final decision

My final decision is that I uphold this complaint against PayPal (Europe) Sarl et Cie SCA on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 13 July 2022.

Paul Cooper
Ombudsman