

The complaint

Mr V has complained PayPal (Europe) Sarl et Cie, SCA won't refund £5,000 for transactions he didn't authorise.

What happened

In April 2021 Mr V complained to PayPal that nine transactions had been made from his account to three people he didn't know. PayPal wouldn't refund him as their records showed a device previously used by him to access his PayPal account had been used.

Mr V brought his complaint to the ombudsman service.

Our investigator confirmed to PayPal we'd received evidence from Mr V's solicitors which showed Mr V was not in a position to make the disputed payments in April 2021. During the period he wasn't at home, his devices had been stolen and misused. PayPal was asked to refund Mr V.

PayPal didn't agree to this and have asked an ombudsman to consider the complaint. They confirmed payments to family and friends – as these nine disputed payments were – were ineligible for their payment protection.

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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mr V's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. Other factors do apply but nothing specific applies to Mr V's case.

So to help me decide what happened, I've looked at the evidence of the transactions, as well as what PayPal and Mr V have told us. I've also noted what our investigator wrote in his view.

We have a clear timeline of events which show the nine disputed transactions took place in April 2021. There's no dispute Mr V's own devices were used to make these transactions, but these were stolen from where he'd been living. I've also seen evidence which shows why

Mr V wasn't in a position to have made these transactions himself. This was confirmed to PayPal in our investigator's view and I see no need to repeat those points here.

There's been no suggestion Mr V authorised these transactions himself.

I note what PayPal has told us about these transactions being ineligible for their payment protection. However if they are unauthorised as I believe they were, they do fall under the protection offered by the PSRs.

I am satisfied these transactions were unauthorised.

Putting things right

As these transactions were unauthorised, PayPal must refund £5,000 to Mr V, along with 8% simple interest a year.

My final decision

For the reasons I've given, my final decision is to instruct PayPal (Europe) Sarl et Cie, SCA to:

- Refund £5,000 to Mr V; and
- Add 8% simple interest to those transactions from the date they debited Mr V's account until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 18 October 2022.

Sandra Quinn
Ombudsman