

The complaint

Mr C complains that PayPal Europe Sarl & Cie, SCA unfairly placed a limitation on his account. He wants PayPal to reinstate his account.

What happened

In late 2020, PayPal placed a limitation on Mr C's account and decided to look into how Mr C was operating his account. Following its review PayPal told Mr C that a restriction had been applied to his account due to a breach of its user agreement.

Mr C complained to PayPal, but they said it wasn't prepared to reinstate Mr C's account. So, Mr C brought his complaint to our service. He explained that the restriction on his account was causing him significant stress and that PayPal had made a mistake.

One of our investigator's looked into Mr C's complaint. She explained why she didn't think PayPal had done anything wrong. Mr C disagreed. He says he hasn't done anything wrong and hadn't breached the terms of his account.

As no agreement could be reached the complaint has come to me to decide.

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've looked at the terms of Mr C's PayPal user agreement which Mr C would have agreed to when he opened his account with PayPal and whether PayPal treated Mr C fairly when it decided to place a limitation on his account. PayPal's user agreement states it can limit an account in certain circumstances. These circumstances include a breach of the user agreement.

PayPal reviewed the use of Mr C's account and identified an issue with the use of it. And it decided to permanently limit the use of the account. This meant Mr C wasn't able to use the account. I've reviewed the evidence provided by PayPal and having done so I'm satisfied that PayPal acted in line with the user agreement when they decided to place a limitation on Mr C's account.

I know Mr C is frustrated that he hasn't been given a detailed reason as to why PayPal has done this. But it's not obliged to do so. So, I can't say it has done anything wrong in not giving him this information as much as he'd like to know. Having said that I can see that when PayPal wrote to Mr C to let him know it had limited his account, it did provide Mr C with an explanation for its actions and referred him to its terms and conditions. So, I think it's likely Mr C had some understanding of the reason behind PayPal's decision.

Mr C says not having a functioning PayPal account has caused him a good deal of stress and he wants his account reinstated. I've no doubt that having his PayPal account limited was inconvenient and upsetting for Mr C, but based on the information I've seen I can't say PayPal has acted unreasonably and treated Mr C unfairly. I'm satisfied that PayPal has followed its processes and the terms of its user agreement here. So, I don't think it's done anything wrong by limiting Mr C's account. And I won't be asking PayPal to reinstate Mr C's account.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 December 2022.

Sharon Kerrison
Ombudsman