

## **The complaint**

Miss M complains that PayPal (Europe) Sarl et Cie SCA (PayPal) unfairly recorded a missed payment on her credit file.

## **What happened**

Miss M has a revolving credit account with PayPal with a £200 limit. Miss M's statements are set to be sent out in the post each month. Miss M has explained that in early December 2022 she checked her credit file and found a missed payment recorded by PayPal. Miss M says she wasn't aware that her payment had failed and called PayPal to find out what had happened.

Miss M was advised that the October 2022 payment was missed. Miss M had tried to make two payments, one for £10 on 25 October 2022 and another for £5.33 on 26 October 2022. Both payments failed which meant Miss M's account fell into arrears.

The following payment was due around 7 November 2022 but wasn't made until 25 November 2022 when Miss M paid £10.

Miss M says that PayPal failed to contact her about the missed payment before it recorded the information on her credit file. Miss M went on to raise a complaint and PayPal issued a final response on 3 January 2023 but didn't uphold his case. PayPal said it had sent Miss M a statement advising of the due date for payments. PayPal didn't agree it had acted unfairly by recording a missed payment on Miss M's credit file.

Miss M referred her complaint to this service and it was passed to an investigator. The investigator thought PayPal had acted reasonably by recording the missed payment on Miss M's credit file and didn't ask it to do anything else.

Miss M asked to appeal and said PayPal had failed to send her statements. Miss M also said PayPal had failed to contact her after her payment was missed and before it took the step of reporting it to the credit reference agencies. Miss M added that her payment was due on 7 November 2022 but PayPal logged the missed payment on 4 December 2022, only 27 days later. Miss M said that whilst the email address PayPal holds isn't the one she mainly uses, it is open and she has access to it. As Miss M asked to appeal, her complaint has been passed to me to make a 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.

In response to the investigator, Miss M said that PayPal had only waited 27 days to report the missed payment. But PayPal's explained to us that Miss M missed two payments. One in October 2022 and another in November 2022. The October 2022 payment was missed as no funds were successfully received that month. And the November 2022 due date of 7 November 2022 was missed but Miss M made the payment up on 25 November 2022.

PayPal has explained that as the payment was made up, it wasn't recorded as missed on Miss M's credit file.

I think PayPal's final response could've been clearer in explaining what payment it recorded as missed on Miss M's credit file. And I think that caused some confusion as Miss M said PayPal had only waited 27 days before reporting the payment as missed. But PayPal actually waited around 57 days from the October 2022 due date before the payment was reported.

Miss M has told us she didn't receive the relevant statements in the post. But I've seen copies of PayPal's statements and they're addressed correctly and in line with the information we hold for Miss M. Whilst I appreciate Miss M may not recall having received all her statements I'm satisfied, on balance, that they were sent by PayPal as claimed.

Miss M says that PayPal failed to contact her when the payment was missed. PayPal's provided systems evidence that verifies it sent Miss M emails about her account, including confirmation her payments had failed on 26 October 2022 and 28 October 2022. But the systems record shows that the emails couldn't be delivered to the nominated email address. I note that PayPal's final response requests Miss M updates her email address. Miss M's told us that the email address remains open and active. But I'm satisfied the evidence shows PayPal emailed the address on file without error but that they ultimately failed. I haven't seen anything that shows PayPal made a mistake with the emails it sent.

In response to the investigator, Miss M asked why the failed emails weren't chased up. But the account terms and conditions require the customer to ensure an active email address is recorded with PayPal so it can send emails of this nature. I wouldn't expect PayPal to take follow up action in addition to sending statements and email payment reminders when a payment is missed.

Miss M's told us she thought the payments made on 25 October 2022 and 26 October 2022 had gone through and wasn't aware they'd failed. In its file submission, PayPal provided evidence that shows the times and dates Miss M logged into her online account. I can see that Miss M logged in on 25 October 2022 and 26 October 2022 and again on 7 November 2022. I'm satisfied that the account would've shown whether the payments Miss M attempted were successful or not. c

I'm very sorry to disappoint Miss M but as I haven't been persuaded that PayPal made an error or acted unfairly by recording a missed payment on her credit file I'm not telling it to amend her credit file or take any further action.

### **My final decision**

My decision is that I don't uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 25 October 2023.

Marco Manente  
**Ombudsman**