

The complaint

Mr O has complained that PayPal (Europe) Sarl et Cie SCA ("PayPal") is not clearly stating how much outstanding debt exists on his account. Mr O says the amount keeps changing and is shown in Euros.

What happened

Mr O had contacted PayPal and a third-party debt collector to understand how much debt is left outstanding. However, Mr O says that the amount left outstanding kept changing and was quoted in Euros, rather than in Pounds.

PayPal says that the debt in question was passed on to a third-party debt collection agency to collect the outstanding amount, although I understand that is no longer the case. It also says that as it reports the outstanding balance internally in other currencies other than pounds, this is why the amount owed will sometimes fluctuate.

In its response to the complaint, PayPal has acknowledged that the information it has provided Mr O has been confusing, and so agreed to remove £150 from the outstanding balance on his PayPal account to apologise for this.

One of our investigators assessed the complaint and they concluded that:

- It was understandable that Mr O found the information he was being presented with as being confusing;
- The amount owed is quoted in Euros as that is how PayPal reports the loss internally. As exchange rates fluctuate, this amount will change, but the amount owed in Pounds remains unchanged;
- The debt was transferred to a third-party debt collection agency over five years ago, and Mr O can obtain information about how much is owed from them;
- As of 20 April 2023, Mr O owed PayPal £2,001.04 for the Working Capital Loan that he took out in May 2018 and an outstanding (negative) balance on Mr O's PayPal account of £751.29.
- The £150 deduction offered by PayPal was reasonable.

Mr O disagreed with the investigator's assessment. He said that he is still none the wiser as to how the amounts owed were calculated and asked for a statement of accounts. He also pointed out that as the third-party debt collector was no longer administering the debt, PayPal was responsible for providing him with such information and to confirm what the plan of action was for the outstanding debt.

As Mr O was unhappy with the investigator's assessment, he asked for the matter to be considered by an ombudsman.

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 reviewed this complaint, I agree with the outcome reached by the investigator, for broadly the same reasons that the investigator gave. I will explain why.

I note that Mr O says that he is not aware of the Working Capital Loan. However, as this complaint only concerns the provision of data relating to outstanding debts owed by Mr O, Mr O will need to raise a separate complaint, if he wants to challenge that debt with PayPal. However, I would remind Mr O (as was explained in the final response letter) that there are time limits that apply to whether our service is able to consider such complaints against PayPal.

Mr O's complaint seems to be a fairly straightforward matter - he simply wants a clear statement of accounts so that he can understand what outstanding amounts are owed (and when they were accrued) to PayPal and also so he can see how much of the debt he's already paid off. And in the circumstances, I think PayPal could've provided clearer information to Mr O.

I can see that the amounts owed have fluctuated and I don't think PayPal's explanation for this is reasonable. PayPal says that the amounts owed are quoted in Euros as that is how it reports the loss internally. However, regardless of how PayPal chooses to account for the outstanding amounts internally, I don't think it's reasonable that PayPal's internal reporting processes caused the outstanding amount that Mr N owed to appear to fluctuate, even when the amount in Pounds remained the same.

I understand that administration for the amounts in questions was previously assigned to a third party some time ago. As the debt is still owned by PayPal, PayPal is ultimately responsible for the debt. This means it's also responsible for ensuring that Mr O is provided with clear and transparent information about the amounts left owing - so he can repay the correct amount and be assured that the amounts owed are correct. Since the third party is no longer involved with the debt, Mr O will need to contact PayPal about the debt. PayPal has said that if Mr O wants to get in contact, he should contact its Collections Negative Balance team on: 0800 587 0463.

In the circumstances, I can see this matter has caused frustration for Mr O. So I think the £150 deduction from the outstanding amount on Mr O's PayPal account is reasonable. Ultimately PayPal has always been entitled to seek repayment of the full and correct amount that's outstanding, but by reducing this to acknowledge the circumstances of this complaint – I think that's a fair and helpful gesture.

I note that since the complaint was referred for an ombudsman's decision, the investigator asked PayPal to provide a clear statement of account for the two debts. The investigator specifically asked that it included a running balance of the actual amount owed and a short label summarising each entry, so that Mr O understands what the credits and debits relate to.

PayPal responded with further information. Although rather frustratingly, it didn't provide a statement of accounts as such (at least not fully for both accounts). However, PayPal did provide a written narrative regarding the payments into and out of the PayPal account. This explained that a total of £1,361.30 was paid from the account, and Mr O had paid a total of £649.01 into the account, leaving £712.29 left to repay.

PayPal also provided a partial statement of accounts for a Working Capital Loan as well as the terms and conditions. This explained that Mr O had borrowed £2,000 on 28 March 2018. This included a £159 fee added to the loan – making the total amount owed as £2,159. PayPal explained that Mr O repaid amounts of £11.08, £31.33, £33.69 and £15.86 – totalling £91.96 in repayments. PayPal says this left £2,001.04 left to repay. Although the sums don't

quite add up, I note that the amount PayPal says is left to repay looks to be lower than what can be calculated using PayPal's figures (which indicates it should be £2,067.04).

I can see that Mr O has already made a subject access request to see information held about him on this complaint. So, Mr O should've already seen similar information from PayPal about the two debts that are left outstanding and the transactions that took place on those accounts.

Mr O says he is none the wiser as to how the outstanding balances have been accrued. But having read through the information that PayPal has provided, I'm satisfied that PayPal has provided reasonably detailed information, so as to explain how the debts on the two accounts were accrued. I say this as it explains the payments that were made into and out of the two accounts. As such, apart from deducting £150 from Mr O's PayPal debt, I don't think PayPal needs to do anything further.

Putting things right

PayPal has agreed to deduct £150 from the amount owed to it. In the circumstances I think this is reasonable.

My final decision

Because of the reasons given above, I uphold this complaint and require PayPal (Europe) Sarl et Cie SCA ("PayPal") to do what I have outlined above, to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 16 January 2024.

Thomas White
Ombudsman