

## **The complaint**

S complains about an account limitation by PayPal (Europe) Sarl et Cie SCA ("PayPal").

## **What happened**

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- For me to say PayPal did something wrong, I'd need to be satisfied that they failed to act within the terms of the account's User Agreement. Or, if I feel like they did work within these, that it was unfair for it to limit and close the account in the circumstances of this complaint. And in this situation, I don't think that's the case.
- It's common industry practice for firms to monitor accounts for activity which may fall outside their risk appetite, and accounts will often be restricted to prevent potential losses while carrying out a review. When PayPal decided to limit S's account, it did so as it said it found there was evidence S had been using the account against one of the terms in the User Agreement.
- PayPal, like most account providers has a broad discretion to decide who they want as a customer. I wouldn't generally interfere with their decision to close an account unless their reasons were unlawful - which I haven't found them to be here.
- S did sign up to a User Agreement when it opened an account with PayPal. Having looked through this agreement carefully, I've found that PayPal have acted within the terms of the agreement when it took the decision to limit S's account's and then close them.
- PayPal have supplied information to show why it limited and then closed the accounts, and although I can't disclose this, I've reviewed the information and I'm satisfied PayPal haven't acted unfairly or against the User Agreement and terms of the account.
- PayPal have restricted the funds on one of S's accounts and held them for 180 days to support any claims that might arise once the account was limited. This is also something that's explained in the User Agreement and PayPal have done fairly in these circumstances.

Although I appreciate S is likely to be frustrated that it doesn't know the full reason for the limitation and closure, I hope it can take some assurance in the fact I've seen these reasons

and I'm satisfied PayPal have acted fairly.

### **My final decision**

My final decision is that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 26 March 2024.

Tom Wagstaff  
**Ombudsman**