

## **The complaint**

Mr K complains that PayPal (Europe) Sarl et Cie SCA did not allow him to withdraw funds to a bank account he tried to link to his account, and they provided him with poor service.

## **What happened**

Mr K tried to add a linked bank account to his PayPal account so he could withdraw funds to his new linked bank account, but PayPal blocked Mr K from doing this. Mr K raised a complaint to PayPal.

PayPal said on 20 February 2023 that Mr K tried to add a new bank account to his PayPal account. They said that they may block a certain action if there may be a higher than normal level of risk associated with the transaction. PayPal said that when trying to link a bank account some common issues might arise, and as such, they contacted Mr K to help him make a withdrawal to one of his already linked bank accounts, but he asked for an email request. Mr K brought his complaint to our service, and he said PayPal didn't answer all of his points.

PayPal contacted our service to say that they would offer Mr K £150 compensation as a goodwill gesture to resolve the complaint. As Mr K said they didn't answer all of his points he asked for £250 compensation as a gesture of goodwill instead. PayPal agreed to increase the compensation to £250.

Our investigator felt the £150 offer (and therefore the second offer of £250) was fair. She said PayPal confirmed that they tried to help Mr K with the withdrawal to his already linked bank account, but he asked for a response by email. Mr K didn't try to withdraw the funds to any of the linked bank accounts on file after PayPal did a review. She said PayPal have confirmed the funds have now been withdrawn and she agreed the service could have been better.

Mr K asked for an ombudsman to review his complaint. He said PayPal hadn't paid him the £250 they agreed, and he added issues he had after he brought this complaint to our service such as recent issues he had in November and December 2023.

## **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.

Mr K has made a number of points to this service, and I've considered and read everything he's said and sent us. But, we are a quick and informal service, so I'll be focusing on the main part of his complaint in deciding what's fair and reasonable here.

Mr K has said further issues with PayPal happened after he brought his complaint to our service, especially in November and December 2023. But I'm only able to look into the complaint points which he brought to our service that was part of his original complaint to PayPal. If Mr K wants to make a complaint about the recent issues, he can ask our

investigator to raise a separate complaint and we can ask PayPal for their final response on these newer issues.

Although the compensation issue was after Mr K brought his complaint to our service. I have asked PayPal what has happened with his compensation as this could affect any award I may ask them to pay him. PayPal have admitted they made an error with the £250 payment. They said that instead of crediting £250 to Mr K's account, they credited €250 to his account which was actually £210.61. They said as a result of this they applied a £40 credit to Mr K's account. So Mr K was paid £250.61 in total as part of his original complaint about the service issues about trying to link his bank account to his PayPal account.

I'd like to explain to Mr K that it is not within this service's role to tell a business which methods they should communicate with a customer such as a direct email instead of a secured message. I'm also unable to ask them to change their security procedures such as when they should decide to not allow a bank account to be linked to a PayPal account. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct PayPal to make changes to their policies and procedures, if necessary

PayPal are required to try and keep their customers' accounts safe and prevent them from being victims of fraud and scams. Sometimes they identify and block legitimate bank accounts due to security concerns. This can cause upset and inconvenience to a customer – but it doesn't always mean they have acted incorrectly. And PayPal are not required to give the reason for any blocks to Mr K as this could breach security protocols and help people work around their fraud prevention systems.

I can see that Mr K had some problems and delays when he tried to link a new bank account to his PayPal account in February 2023, but he didn't make the withdrawal until July 2023, which would have been frustrating for him. PayPal say that Mr K hadn't tried to withdraw the funds to any account they held on file for him after this, and before withdrawing the funds in July 2023.

I've considered what would be a fair outcome for this complaint. I can see that PayPal provided Mr K with poor service on occasions such as Mr K being told on the phone that they would email him directly which was his preference, but PayPal's procedure is to send a secured message to his PayPal inbox instead. So this was upsetting for Mr K as he was expecting an email direct to his email address instead of his PayPal inbox.

Mr K has also been upset at not receiving responses to all of his original queries he made as part of his complaint. While it's for PayPal to decide how they respond to Mr K as part of a complaint, they could have explained to Mr K there were some queries they wouldn't answer due to their security protocols, or that their complaints process was finished.

PayPal have offered Mr K a total of £250 for the service issues here. And I'm satisfied that this is fair. I say this as our awards are not designed to punish a business. So if PayPal had not upheld Mr K's complaint at all, I would have awarded Mr K compensation for the poor service he received from PayPal at times. But the amount of compensation I would have awarded him would have been less than the £250 that PayPal had offered Mr K, based on our awards. But as PayPal have offered Mr K more compensation than I would have awarded him for what happened here, I think it's only fair that Mr K should receive this full compensation, and this shouldn't be reduced as PayPal had agreed to it.

### **Putting things right**

PayPal suggested that they pay Mr K a total of £250 for distress and inconvenience, which I think is reasonable in the circumstances. But if PayPal have already paid this to Mr K, then

they are not required to do anything further.

### **My final decision**

I uphold this complaint in part. PayPal (Europe) Sarl et Cie SCA should pay Mr K a total of £250 for distress and inconvenience. But if they have already paid him this amount (or more) then I don't require them to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 14 February 2024.

Gregory Sloanes  
**Ombudsman**