

The complaint

Mr N complains about the service he's received from PayPal (Europe) S.A r.l et Cie, S.C.A trading as PayPal over the phone.

What happened

Mr N has been a customer of PayPal since November 2021. His statements show that he uses PayPal approximately 100 times a year. In other words, that he uses PayPal on a regular basis.

Mr N has told us that he has dyslexia and problems with depression and anxiety. In addition, he's told us that he has mobility issues, amongst other things. He's told us that PayPal's actions have had a considerable impact on him.

Mr N says that he contacted PayPal to check his account and make sure everything was fine and was told there was a fraudulent transaction on his account. He says that when he tried to ask the agent further questions the agent got annoyed and became abusive. He says that this wasn't the first time he'd experienced abuse after being given false information. He says that he asked to speak to a manager and was told that this wasn't possible. He complained.

PayPal looked into Mr N's complaint and issued a final response saying it had credited £50 to his account by way of apology in addition to £20 it had credited to his account when he initially raised the complaint. Mr N wasn't happy with PayPal's response and ultimately complained to us saying that PayPal should pay him more compensation. He did so on 15 February 2023. PayPal said that it wasn't willing to offer Mr N any more compensation as it had paid him £385 in vouchers and credits between September 2022 and January 2024.

One of our investigators looked into Mr N's complaint and said that although PayPal could and should have done better it had already paid him £385 in vouchers and credits which was a fair and reasonable outcome. So, they didn't recommend that PayPal pay any additional compensation.

Mr N didn't agree with our investigator's view, saying that PayPal's actions had had a negative impact on his health and that it should pay more compensation. He said he'd send us additional evidence, including medical evidence, showing the impact PayPal's action had on him. That was in July 2023. He sent us evidence in August 2023 about his health generally. We said that we needed evidence that PayPal's actions had had a negative impact on his health rather than evidence about his health generally. We still hadn't received the evidence we needed by the end of December 2023, so we closed Mr N's complaint.

Mr N contacted us in June 2024 to say that he'd obtained medical evidence from his GP showing that PayPal's actions had contributed to a deterioration in his mental and physical health. He explained why he'd taken time to get back to us, and his circumstances, and asked us to re-open his complaint. We agreed to do so given what he'd told us, and to prioritise his complaint too. Mr N ultimately asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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.

Last month I issued a provisional decision setting out in detail all the problems that Mr N has had with his PayPal account since he opened it, complaints he's made and final responses he's received. I also set out in detail vouchers and corrections PayPal has made to his account and the reasons for doing so.

In my provisional decision, I said that I was satisfied that PayPal hadn't acted fairly in relation to the complaint I was looking at, and that this had a significant impact on Mr N. I said that I considered an award of £300 would be appropriate given the impact this has had on Mr N. I also said, based on what I could see, that PayPal had already credited £70 to Mr N's account in relation to this complaint.

Both parties were invited to comment on my provisional decision. Both accepted it.

Putting things right

Having reconsidered everything, I remain of the view that PayPal didn't act fairly in relation to this complaint, and that this had a significant impact on Mr N. I also remain of the view that an award of £300 would be appropriate given the impact this has had on Mr N. So, that's the award I'm going to make. As PayPal has already credited £70 to Mr N's account in relation to this complaint, that means PayPal needs to pay him an additional £230 in compensation.

My final decision

My final decision is that I'm upholding this complaint and require PayPal (Europe) S.A r.l et Cie, S.C.A to pay Mr N £300 in compensation in full and final settlement less the £70 it has already credited to his account. In other words, to pay an additional £230 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 4 October 2024.

Nicolas Atkinson
Ombudsman