

The complaint and background

Miss I complains PayPal UK Ltd won't reimburse the full amount of money that she lost when she says she fell victim to an investment scam.

Our investigator didn't uphold the complaint. He didn't find Miss I had sufficiently evidenced she had sent and lost money to a scam.

Miss I's representative has asked for the matter to be referred to 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.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations (PSR) 2017, consumers are generally liable for payments they authorise. PayPal is expected to process authorised payment instructions without undue delay. It also has long-standing obligations to help protect customers from financial harm from fraud and scams. But those are predicated on there having been a fraud or scam. So, to start, I've considered whether Miss I was a victim of a scam.

Having considered the information Miss I and her representative have sent to support her claim that she was scammed, I'm not satisfied it shows me more than Miss I making a transfer of funds to a third party.

Miss I hasn't sent any evidence of contact with a scammer or someone asking her to transfer money, or most importantly that she suffered a loss after the money was transferred.

Miss I and her representative haven't said why there's no evidence of payments being requested and made. Having seen the number of transactions Miss I claims to have sent to the scam, I find it most likely this would've been done over some kind of messaging service or email and should still be available for Miss I to retrieve.

So based on everything I've seen, on balance, I'm not persuaded or satisfied it's been sufficiently demonstrated that Miss I made these payments to a scam, and it created a loss.

This is because of Miss I's lack of evidence to show that she was in contact and convinced by a scammer to send money, or something to show where the money ended up. So, although I've explained PayPal has obligations when its customers are sending payments, these are predicated on there having been a fraud or scam.

It's worth noting that even if I were to be convinced Miss I had sent these payments as part of a scam, I'm satisfied that none of the payments reach a value, or pattern that I think ought to have concerned PayPal or its automatic payment checking systems. Although some

payments were made on the same day, they don't reach an amount I think would've caused PayPal any concern that Miss I may be at risk from financial harm.

I know Miss I will be disappointed by this outcome, and I'm sorry to hear of the personal circumstances that she has been going through. But for the above reasons, I don't think PayPal has acted unfairly by not providing a refund.

PayPal have correctly pointed out that financial products and services are not covered under its Buyer Protection Scheme.

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 Miss I to accept or reject my decision before 15 July 2025.

Tom Wagstaff
Ombudsman