

## **The complaint**

Mr R complains that PayPal UK Ltd unfairly closed his account. He wants PayPal to provide an explanation for its actions. He's also unhappy with the customer service he received from PayPal.

## **What happened**

In February 2024, PayPal reviewed Mr R's account. Following its review PayPal told Mr R that a permanent limitation had been applied to his account and any further account he tried to open due to a violation of its acceptable use policy.

Mr R complained to PayPal and said he needed an account to manage his subscriptions, payment plans and socialise. Mr R said he'd never used his account for anything untoward and had operated it properly at all times. So, the closure of his account came as a shock to him and had caused him a lot of trouble and upset.

Mr R appealed PayPal's decision to close his account. PayPal reviewed everything but maintained its position.

Mr R remained unhappy, so he complained to our service. He said he wants PayPal to provide a proper explanation for why it closed his account. Mr R also said that he had a lot of trouble contacting PayPal and his complaint and their customer service team were unreachable despite him contacting them during their advertised working hours, which meant he had to make repeated phone calls and write emails, which was time consuming and inconvenient.

One of our investigator's looked into Mr R's complaint. She explained why she didn't think PayPal had done anything wrong. And didn't think awarding Mr R compensation for the service issues Mr R experienced would be fair. Mr R disagreed. He says he hasn't done anything wrong, and he wants PayPal to explain why it won't allow him to have an account.

As no agreement could be reached the complaint has come to me to decide.

## **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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information PayPal has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr R, but I'd like to reassure him that I have considered everything.

The user agreement which Mr R would have agreed to when he opened his account with PayPal sets out the terms under which PayPal operates the account. And these allow PayPal to limit or close an account if it wishes to do so.

PayPal reviewed the use of Mr R's account and identified an issue with the use of it. And it decided to permanently limit the use of the account – including any other account that Mr R subsequently tried to open.

Based on the information I've seen I can't say PayPal has acted unreasonably and treated Mr R unfairly when it decided to close his account. And I'm satisfied that PayPal has followed its processes and the terms of its user agreement when closing the account. So, I don't think it's done anything wrong by permanently limiting Mr R's account. And I won't be asking PayPal to reactivate Mr R's account.

I know Mr R is frustrated that he hasn't been given a detailed reason as to why PayPal has done this. But it's not obliged to do so. So, I can't say it has done anything wrong in not giving him this information as much as he'd like to know. And it wouldn't be appropriate for me to require it do so now.

Having said that I can see that when PayPal wrote to Mr R to let him know it had limited his account, it did provide Mr R with an explanation for its actions and referred him to its terms and conditions. So, I think it's likely Mr R had some understanding of the reason behind PayPal's decision -albeit not to the level of detail he would like. But as I've already said, PayPal don't have to give him this information.

Mr R has also said that he had to go to a lot of trouble to contact PayPal to raise his appeal. And he's said that its customer services department were very difficult to get hold of – which meant he had to make a lot more phone calls and write emails to try and get in touch with them. Mr R adds that PayPal didn't respond to him with the outcome of his appeal within its seven day timeframe.

I've taken on board Mr R's comment and the impact he says PayPal's poor communication had on him. It's within my powers to direct PayPal to put this right if I think it did something wrong here. But after considering all of the circumstances and evidence, I don't find awarding Mr R compensation would be fair or appropriate. I understand Mr R would naturally want to know the information I have weighted in order to reach this finding. But as I've set out already, I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

Accordingly, I have accepted information in confidence which I am not disclosing to Mr R. And the description of that information is that it's of a nature which justifies PayPal's closure of Mr R's account, and which has led me to decide that awarding Mr R compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint.

In summary, I'm not satisfied that PayPal treated Mr R unfairly when it closed his account. And I'm not requiring PayPal to compensate Mr R for any trouble and upset he may have experienced as a result of PayPal closing his account, including his unhappiness with PayPal's communication and the information it didn't provide him.

### **My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 December 2024.

Sharon Kerrison  
**Ombudsman**