DRN-5362701

The complaint

Mr B complains that PayPal UK Ltd won't refund the full amount of money he lost to a scam.

What happened

Our investigator didn't uphold the complaint. She didn't think the payment looked suspicious such that PayPal ought to have made additional checks before processing it. Our investigator also didn't find any failings by PayPal in relation to recovering the money.

Mr B said that other complaints investigated by our service in similar circumstances have resulted in the banks refunding the lost money for those individuals.

As Mr B didn't agree with the investigator's view, so the complaint has been passed 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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, PayPal ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I have reviewed Mr B's payment he made to the scam. Having considered when it was made, its value and who it was made to, I'm not persuaded PayPal ought to have found the payment suspicious, such that it ought to have made enquires of Mr B before processing it.

I've also considered whether Mr B had any protection under PayPal's separate Buyer Protection Scheme. Unfortunately, as Mr B paid by 'friends and family' no separate protection was available to him.
I understand Mr B has sent examples of other cases he says are like his own. Although we deal with each case based on its individual circumstances, it's worth noting that the businesses in the other complaints were instructed to refund under sperate schemes that PayPal are not a member of. So, these complaints wouldn't be relevant in Mr B's situation.

Lastly, due to the length of time Mr B took to raise a claim, any chargeback rights are no longer available to him.

Whilst Mr B has undoubtedly been the victim of a cruel scam, I don't find there were any failings on PayPal's part that would lead me to uphold this complaint.

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 Mr B to accept or reject my decision before 25 September 2025.

Tom Wagstaff
Ombudsman