

## **The complaint**

Mrs G complains that PayPal UK Ltd opened an account using her personal data without her consent and about the service she has received when raising her concerns.

## **What happened**

Mrs G opened a PayPal account in May 2020 to receive a single payment. At the time, an account with a linked service (which I will refer to as X) was opened. Both accounts were linked to an email address (which I will call email A).

Having received the payment Mrs G was expecting she removed her bank details and later closed the PayPal account. But in 2021 and again in 2023 she received emails from PayPal and X which she says had been sent to a different email address (which I will call email B). As her account with PayPal was closed, Mrs G was concerned that an unauthorised account had been opened in her name and her personal data had been breached. So, she complained.

PayPal referred Mrs G back to X in relation to any emails received from it. But it said it had taken steps to remove both Mrs G's email addresses from the accounts in her name. It added that Mrs G could 'test' this by visiting its website and entering the email addresses in the 'sign-up' section. It said that, if the email addresses were still associated to an account, a message saying 'welcome back' would be shown. But it says its retention period for data such as email addresses is ten years – even after an account is closed. But once closed, personal data is not used.

Unhappy that PayPal hadn't explained how a second email address had been registered and worried that other accounts had been opened and that her bank details had been attached to them, Mrs G referred her complaint to this service. She wanted her email addresses removed from PayPal and X's systems. She also said that both PayPal and X had provided poor service as there was no way of contacting it after her account had been closed.

One of our investigators looked into it. But she said there was no evidence that Mrs G's personal data had been shared with a third party as the emails had been sent to Mrs G's legitimate email addresses. She acknowledged that Mrs G didn't get an answer to her complaint straightaway. But, overall, she didn't think PayPal had treated Mrs G unfairly or unreasonably. She said that it wasn't unusual for a business to have a data retention policy, and she thought PayPal had done enough as both email addresses had been removed from the accounts.

Mrs G didn't accept this outcome. She pointed out that in the interim PayPal had issued further correspondence which still hadn't addressed her concerns in full. So, the complaint has been passed to me and I issued a provisional decision as set out below.

## **My provisional decision dated 2 December 2024**

*I'm aware I've summarised this complaint and Mrs G's concerns in less detail than she did. No discourtesy is intended by my approach which reflects the informal nature of this service. But I want to assure Mrs G that I've read and considered everything she's said and provided.*

*And I'm satisfied I don't need to comment on every point raised to fairly reach my decision. So, if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues in line with the rules we operate.*

*Having done so, I've reached the same overall conclusion as the investigator but will provide further reasons for doing so. I appreciate Mrs G will be disappointed as her strength of feeling on this matter is clear. So, I'll explain why.*

*Firstly, I must explain at the outset that I can't make a finding about whether PayPal breached data protection laws. That's a matter for the Information Commissioner's Office, not this service. I can, however, look at whether PayPal did anything wrong or treated Mrs G unfairly. And, if so, I can look at the impact any mistake had on Mrs G in terms of whether she has incurred a financial loss and/or material distress and inconvenience.*

*PayPal has confirmed that customers are offered X's service during the PayPal account opening process. I appreciate Mrs G may not have wanted this service as it relates to making international money transfers. But, from what she's told us in the complaint form she submitted to this service, she did agree to the service when she opened the PayPal account.*

*It's important to note that in 2020 PayPal and X were separate services. That means Mrs G would have needed to contact X to close this account in addition to contacting PayPal to close the PayPal account. But I haven't seen anything to suggest that she did. Rather, from what I've seen, the first time Mrs G contacted X directly was in 2023 when she received an email from it in October 2023 about its intention to transfer its services to PayPal UK.*

*Having looked at the copy of the emails from X that Mrs G has provided, I'm satisfied that these were sent to email A – the email address Mrs G used when she opened the account rather than email B as Mrs G has suggested.*

*As I've not I've seen enough evidence to conclude Mrs G closed the X account, I don't find X did anything wrong when it sent the email in October 2023 to the email address Mrs G had used when she opened the account and when the account was still open. I've seen X continued to correspond with Mrs G using email A when responding to her complaint – which is what I would expect it to do.*

*I appreciate Mrs G has said she received poor service from X – she has mentioned being dealt with by 'bots' and she said her complaint wasn't followed up. But as the investigator has explained, businesses like X use automated services and this is not something this service has the power to change. I've thought about whether X did enough to respond to Mrs G's concerns and I accept X could have dealt with the matter better than it did. But complaint handling in itself is not something this service gets involved in as it's not a regulated activity. But I've seen that X was in contact with Mrs G after she raised her concerns, and it did let her know that her account with it had now been closed.*

*Overall, I've not seen any persuasive evidence that email B was ever associated to the X account or that any other X accounts were opened using Mrs G's name or email addresses. And I'm not persuaded that Mrs G asked X to close her account before 2023. So, in closing the account in 2023 when Mrs G contacted it, I find that X did enough to address Mrs G's concerns.*

*From what I've seen PayPal closed Mrs G's account linked to email address A when she asked it to in 2020. And I've not seen anything to suggest that any transactions have gone through this account after it was closed.*

*However, I've seen that Mrs G did start to receive emails from PayPal which were sent to email B – a different email address to the one used when Mrs G opened a PayPal account in 2020, and an email address she says she never gave to PayPal. So, I can understand why she was concerned.*

*But, as Mrs G received these emails, I'm satisfied that email B was also a legitimate email address for her. As the emails were sent to a legitimate email address for Mrs G, I'm not persuaded that PayPal shared her data with a third-party.*

*PayPal has indicated that email B related to different account to the one Mrs G opened in 2020. And I know Mrs G would like to know how this happened and she is unhappy that. PayPal hasn't provided her with more details. But, having looked at PayPal's account opening process, it seems only a name, postal address and an email address is required, and the process is completed on-line. So, I don't find it unusual that PayPal can't provide more information that it did. PayPal has suggested that someone with knowledge of Mrs G's name, address and email details could have opened the account. And I'm persuaded this is most likely what happened. As Mrs G didn't provide PayPal with email address B, I can't see how PayPal could have opened the account by mistake.*

*In any event, I've not seen any evidence which would make me think Mrs G has lost out financially as a result. I've not seen any evidence to suggest that any transactions have gone through this account or that Mrs G's bank account details were ever linked to it. And since contacting PayPal, it has confirmed that the account has been closed and her email address removed from it.*

*I understand that Mrs G is concerned about how long her personal data will be held for. But under The General Data Protection Regulations (GDPR), businesses – including this service, have a data retention policy. So, I don't find PayPal has done anything wrong by implementing its own data retention policy details of which can be found on PayPal's website.*

*As explained above, both PayPal and X has confirmed that Mrs G's email addresses have been removed from the accounts and the accounts have been closed, which I think is reasonable.*

*I note Mrs G has said PayPal doesn't have a complaints procedure and that she found it difficult to complain after the account she had opened had been closed. As mentioned above, complaint handling isn't something this service generally comments on. But I've seen that Mrs G initially contacted PayPal via the wrong contact email address. So, I don't think PayPal acted unfairly when it didn't respond to a complaint sent to an incorrect email address.*

*I've also seen that PayPal's website sets out its complaint procedures on its website. And that all customers - whether their account is active or closed, can contact it to raise a complaint about it or its linked services. More information can be found here <https://www.paypal.com/uk/cshelp/complaints> .*

*Ultimately, PayPal did respond to Mrs G setting out its findings on her complaint and although she may not have received an answer she was hoping for or in as much detail as she would have liked, I don't find PayPal has acted unfairly or unreasonably in dealing with Mrs G's complaint.*

*While I appreciate Mrs G will be disappointed that I can't provide all the information she wanted to explain what happened. I hope she feels reassured that an independent body has looked into what happened. But, overall, I haven't found that PayPal has done anything*

*significantly wrong which would warrant financial compensation. So, I'm not intending to ask PayPal to take further action in respect of this complaint.*

### **Responses to my Provisional decision**

PayPal said it had nothing further to add and that it accepted the provisional decision. But Mrs G didn't agree. In summary, she said:

- She had completed the 'test' - as mentioned above, and she accepted she did not get a welcome email.
- But when she used PayPal's website to request a DSAR, she received a 'pop up' which said: *'we found your email in our system, it looks like you have an active PayPal account using (email A).'* And this was evidence that her PayPal account is still active.
- She had requested DSARs from PayPal and X via the ICO – on both email A and B, but she had not received the information.
- No one with knowledge of her name, address and email details could have opened the second account.
- She did not use an incorrect email address when raising her complaint with PayPal. And she feels this service should be looking into how PayPal and X dealt with her complaints.
- She wanted to see the information PayPal had provided to this service.

### **What's happened since**

The investigator sent Mrs G the information PayPal had provided to us which was material to the outcome of her complaint and which she hadn't already received directly from it. And she sent a screenshot of the 'pop up' Mrs G received to PayPal for its comments.

PayPal acknowledged the 'pop up' could be interpreted to mean that there was an active account relating to email A. But it provided its internal records to show that the email address referred to was inactive. It also said it hadn't received a DSAR request either from the ICO or Mrs G directly.

Mrs G was concerned that some of the information provided to her by the investigator had been redacted. And she asked for a copy of the correspondence which I had relied on when saying *'PayPal has suggested that someone with knowledge of Mrs G's name, address and email details could have opened the account.'* She also maintained that she had contacted the ICO on 3 December 2024, but she still hadn't received a response. She said she didn't want to chase PayPal again and she wanted everything to go through this service.

The investigator explained that the redacted information wasn't material to the outcome of her complaint, and she emailed PayPal with Mrs G's DSAR request, which it subsequently acknowledged receipt of.

Mrs G remained unhappy as she still felt that PayPal held an active account in her name, and she asked this service to wait until PayPal had responded to her DSAR, so she had the opportunity to reply.

The DSAR was ultimately provided to Mrs G, but she said the information wasn't complete as it didn't contain all the correspondence she had had with PayPal in relation to email A and B.

## **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.

Having done so, while I acknowledge Mrs G will be disappointed, I'm not upholding this complaint. I will explain why.

### **The X account**

For the reasons given in my provision decision, I'm satisfied that Mrs G didn't close the X account before she contacted it in 2023. As such, I don't find it did anything wrong when it continued to email her on the email address she provided when the account was opened in 2020 (email A). I haven't seen any persuasive evidence to suggest that X held any record of email B or contacted Mrs G using email B. Overall, I'm persuaded this account is closed.

### **The PayPal account linked to email A**

Mrs G hasn't provided any evidence that the emails she started to receive from PayPal after she asked for this account to be closed were sent to this email address (apart from emails relating to this complaint). And PayPal has provided evidence which indicates this account - opened in 2020, is inactive.

I appreciate Mrs G's point about the 'pop up' she received. However, I'm not persuaded that *'it looks like you have an active PayPal account'* means that an active account exists. PayPal hasn't disputed that it still holds Mrs G's email address due to its data retention rules, so I think it's more likely that PayPal's system simply found the email address which it had retained on its records. But I acknowledge the 'pop up' isn't worded particularly clearly. But given all the other evidence available, I'm persuaded email A and the account linked to it is inactive.

### **The account linked to email B**

The emails Mrs G received, and which prompted this complaint were sent to email B. From what I've seen PayPal hasn't disputed – and nor do I dispute, that this account wasn't opened by Mrs G. So, I do understand why Mrs G had concerns when she received these emails. And I know Mrs G would like more information about how the account was opened. But, as I have explained, PayPal accounts are opened online simply by using a name, postal address and email address which do not need to be verified.

Mrs G has said that no one else who knew her details would have opened an account in her name without her knowledge. I think it would be helpful to explain that, in my provisional decision, I wasn't suggesting that it was someone personally known to Mrs G opened the account. Rather, my point was that many people can become aware of this information – for example, when a consumer buys goods online they are providing their name, email address and postal address to third parties. Ultimately, if Mrs G didn't open the account, and she didn't provide email B to PayPal, I can't see how the account would have been opened without the involvement of a third-party. And I'm persuaded that this is most likely what happened.

Even if we knew more information about who opened the account, this doesn't impact the outcome of this complaint. As explained our role is to look at whether Mrs G has made a financial loss or suffered material distress and inconvenience because of something PayPal did wrong.

But I haven't seen any evidence to suggest that Mrs G's bank account details were linked to this account, or that any transactions went through this account. And PayPal isn't holding Mrs G liable for any outstanding balance or charges. So, I'm satisfied there hasn't been a financial loss.

The impact of the account linked to email B on Mrs G is that she received emails about an account that she says she didn't authorise to be opened. But, as mentioned above, I don't think PayPal did anything wrong in opening this account or when it sent emails to email B. This was the email address provided and PayPal wouldn't have known that it wasn't Mrs G personally that opened the account.

When Mrs G reported this to PayPal and explained this wasn't an account she had opened, I would expect it to close the account. PayPal says it has closed the account and I haven't seen enough persuasive evidence that this account is still active.

I know Mrs G has concerns that this account being opened means her personal data has been compromised. But I haven't seen any evidence of that in terms of PayPal's involvement. From what I've seen, all the information sent by PayPal about this account was sent to email B - and it's not in dispute that this is a valid email address for Mrs G, and she received those emails. So, I'm not persuaded that PayPal has shared Mrs G's personal information with a third-party.

### **Complaint Handling**

As mentioned in my provisional decision, complaint handling isn't something this service generally comments on – it's not a regulated activity. But I've seen that PayPal and X did respond to her complaint and any delay in doing so hasn't prevented her from referring her complaint to this service for an independent review.

### **DSAR**

Mrs G told us she had made DSAR requests via the ICO and directly to PayPal and didn't receive a response. But I haven't seen enough persuasive evidence to conclude that PayPal received these requests. Ultimately, this service asked PayPal to comply to the DSAR requests and PayPal responded within the timescales I would expect it to. I see no reason why PayPal wouldn't have provided this information sooner had requests been received earlier.

I acknowledge that Mrs G is dissatisfied with the content of the DSAR, but that is not something this service can comment on. This is a matter Mrs G will need to take up with the ICO directly. The ICO is independent of this service and looks into matters differently to us. Overall, our role is to decide a case on what's fair and reasonable in the circumstances. And here there is no financial loss or material distress and inconvenience caused by anything PayPal did wrong or what is within our jurisdiction to consider.

### **My final decision**

For the reasons given above including those in my provisional decision, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 7 April 2025.

Sandra Greene

**Ombudsman**