

## **The complaint**

Mr A complains PayPal UK Ltd unfairly charged him.

## **What happened**

Mr A says he was incorrectly charged a fee. Mr A says he tried to complain about this, but his complaints were closed down or ignored. Mr A continued to raise this with PayPal, and it sent him a final response.

In the final response PayPal apologised for the late payment fee, accepted Mr A's complaint but didn't offer to refund or compensate Mr A.

Unhappy with this response, Mr A brought his complaint to this service. An investigator looked into things and asked Mr A to let them know which charge he was disputing.

Mr A couldn't give the investigator a date or amount of the charge, and PayPal couldn't see any recent charges either.

The investigator thought Mr A's complaint should be dismissed. Mr A was asking for either this service or PayPal to find a charge it couldn't, and the investigator felt this was likely to significantly impair the operation of this service.

Mr A disagreed and said his complaint can't impair our service as this is what we were set up to do, investigate complaints.

Mr A said either PayPal charged him, and made a mistake, or it didn't charge him but made a mistake in its final response when it said it did. Either way, something went wrong, and Mr A asked for an ombudsman to decide things.

## **My provisional decision**

I reached a different outcome to the investigator and issued a provisional decision. In it I said:

I can understand the investigator's assessment, looking for a charge on Mr A's PayPal account, potentially covering the last six years, would likely seriously impair this service's ability to investigate other complaints.

But I don't think Mr A's complaint should be dismissed, but I also don't think it should be upheld either.

This service isn't a consumer champion and nor does it represent consumers when they bring their complaints here. I think it's for Mr A to bring his complaint to this service, it's not for this service to pursue Mr A's complaint about PayPal on his behalf.

So, I think it's for Mr A to tell this service which charge he's complaining about.

Mr A says PayPal's charged him, on his PayPal credit account. PayPal's looked through Mr A's previous statements and can't find a late payment fee being charged on any of them.

For me to compel PayPal to refund a charge to Mr A, I'd need to know which one and then determine whether PayPal had charged it correctly or not.

Without any further information from Mr A about exactly which charge he wants to dispute, I can't fairly ask PayPal to refund him anything.

Mr A sent the investigator a statement from January 2025 to show some interest had been charged. But this interest charge is after Mr A complained to PayPal, so its final response can't be in reference to this payment.

And PayPal says Mr A hadn't incurred any interest on his statements in the run up to his complaint.

I can understand Mr A's comment about PayPal making an error somewhere, it's either charged him or said it did when it didn't.

But I'm not able to look at every complaint a consumer brings, and I think Mr A's comment about the final response is outside my jurisdiction.

Complaint handling isn't a regulated activity on its own, in it's not in DISP 2.3.1R and it's not covered elsewhere. And specifically for Mr A's complaint, I don't think the potentially incorrect final response is ancillary to his credit account.

I don't think PayPal's complaint handling or its final response is something I can look into. And I think complaint handling extends to Mr A's comments about PayPal closing down previous complaints.

Unfortunately, Mr A's in a position where it's likely PayPal made an error in its final response, but I don't think I can consider this part of Mr A's complaint.

It then follows I think it's less likely PayPal's charged Mr A unfairly, so I can't ask it to refund any charges to Mr A. And in any event, Mr A hasn't said which charge, it could be Mr A's been validly charged, and I'd be unlikely to ask PayPal to refund a valid charge.

I realise Mr A will be disappointed by my provisional decision, but until he can provide this service with some proof of a charge he wants to dispute, prior to the final response date, then I can't fairly ask PayPal to do anything more to resolve things.

### **Responses to my provisional decision**

Mr A looked through his PayPal account and found £1.27 had been charged in interest on his February 2024 statement. Mr A said this was likely his complaint made to PayPal.

I asked PayPal for the statements either side of February 2024 and it appeared Mr A hadn't paid his January 2024 statement in full, and was charged interest because of this.

Mr A said he'd had problems with his direct debit around this time, trying to switch it from minimum payment to full balance, and this had likely meant he didn't pay his balance in full.

I put this to PayPal and it agreed Mr A had tried to change his direct debit over, but it was too late to catch the payment due in January 2024. PayPal credited Mr A's account with £5 to cover the interest he was charged.

Mr A didn't feel this resolved things and said the £5 didn't cover the interest he's since been charged on more recent statements. And Mr A says PayPal hasn't explained what items were outstanding on his statement.

Mr A says the statements he received from this service weren't sent to him.

Mr A says PayPal needs to be told to behave in accordance with consumer protection.

Mr A asked why PayPal upheld his complaint, denied interest charges had been applied then refused to apologise once it was proven it had lied.

### **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.

Although things have moved on since my provisional decision, both parties have been kept updated so I can issue a final decision on Mr A's complaint.

My provisional decision said it was for Mr A to bring a complaint to this service, not for PayPal or this service to find it. Mr A did this, and found the interest he'd been charged and says this is likely the complaint he made.

Mr A has been sent the statements PayPal sent this service, and previously been told how to access these statements. The statement produced in January 2024 says Mr A has an outstanding purchase balance and some items on 0%.

Mr A didn't pay the full outstanding purchase balance, so was charged interest. I've looked at the notes for Mr A's account around the time this happened, and it seems Mr A had a minimum payment direct debit set up in early January 2024.

Mr A cancelled this minimum payment direct debit and set up a fixed payment direct debit for the full statement balance for the January 2024 statement. I'm persuaded Mr A knew how much he had to pay, he set the direct debit up for this specific amount.

This wasn't a full balance direct debit, it was a specific amount. So, when Mr A says he thinks items were left off the statement, or it was unclear what he had to pay, I don't think this is right. Mr A knew the amount he had to pay to clear the purchase balance he owed.

PayPal says the change to the direct debit would take a statement cycle to change. PayPal says this means the direct debit didn't pay the specific amount at the end of January 2024.

But PayPal did take the minimum payment, £5, so Mr A avoided a late payment charge. And I think this adds weight to PayPal's comment about the statement cycle. Although Mr A cancelled the minimum payment direct debit, it still paid.

And I think it paid because it was still live on the statement cycle for January.

PayPal says Mr A emailed in about the direct debit, but it no longer has this email. PayPal's notes suggest someone responded to Mr A to explain the fixed amount direct debit wouldn't be live until the next statement was due for payment.

PayPal accepts there might have been some confusion here, so it paid Mr A £5 to cover the £1.27 it charged in interest.

I also think there's some confusion over what PayPal would call a late payment and the interest Mr A was charged.

PayPal's final response apologises for a late payment fee, and PayPal later said no fee had been charged. I think this is correct, no late payment fees appeared to have been charged to Mr A's credit account.

A late payment fee for a PayPal credit account is £12, and it's charged if someone doesn't pay, or pays late, towards their credit account. Mr A didn't pay late, because his direct debit paid the minimum payment.

But Mr A was charged interest because he didn't pay the balance in full. Although I can see this is similar, Mr A paid the full balance due later than the date required, and was charged interest because of this, this is distinct from a late payment fee.

So, I agree PayPal didn't charge a late payment fee.

Mr A says PayPal has lied, it told this service it hadn't charged interest on Mr A's credit account, but Mr A's shown it did.

I'd like to clarify when PayPal says it looked for interest charges on Mr A's credit account, it checked from May 2024. PayPal did this in November 2024, and went back six months, and this seems reasonable.

At this point we were still all in a position where Mr A hadn't told this service exactly what his complaint was about.

So, I don't think PayPal lied when it said it couldn't see interest charged on Mr A's credit account, it simply didn't look back far enough.

And I wouldn't expect it to, as I said in my provisional decision, I think it's for Mr A to bring his complaint, not expect PayPal or this service to find the reason he's complaining.

Mr A seems to want PayPal punished for the poor service he feels it's given him. But this service doesn't punish businesses, it looks to put people back in the place they should have been had the business not made an error.

I think it's more likely PayPal made an error around Mr A's query about his direct debits. It seems PayPal could have done a little more to help Mr A at the time, to explain why the direct debit didn't pay and perhaps refund the interest charged.

It seems Mr A knew how much he needed to pay, to pay off the credit in full, and took steps to do this, albeit a little too late. So, I think a refund of the £1.27 interest charged is a fair outcome here, and since PayPal paid Mr A £5, I think this is very fair.

Mr A says £5 isn't enough to cover other interest he's been charged. But this interest is from statements after PayPal sent Mr A the final response relevant to this complaint.

As part of this specific complaint I'm deciding, I don't think PayPal needs to refund interest it's charged after it sent the final response relevant to this complaint.

If Mr A's unhappy with more recent interest he's been charged then I think he should complain to PayPal and, if he's unhappy with the outcome, he may be able to bring his complaint to this service.

I can only consider whether the £5 is enough to refund interest Mr A was charged prior to August 2024, the date of his final response, and I think it is.

Mr A is still unhappy with the content of this final response, and I agree it's incorrect.

I explained in my provisional decision why I don't think I can consider Mr A's complaint about the content of the final response, and I haven't changed my mind here. There's no dispute the final response is incorrect, but I don't think I have the jurisdiction to consider this.

Since the part of Mr A's complaint I can consider, the interest he was charged, has, I think, already been settled fairly I don't think PayPal needs to do more to resolve Mr A's complaint.

### **My final decision**

My final decision is I uphold this complaint, but I think PayPal UK Ltd has already done enough to resolve things fairly.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 May 2025.

Chris Russ  
**Ombudsman**