

## **The complaint**

Mr W complains that PayPal UK Ltd unfairly closed his account. He wants PayPal to provide an explanation for its actions.

## **What happened**

In August 2022, PayPal reviewed Mr W's account. Following its review PayPal told Mr W 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 W complained to PayPal and said he he'd never used his account for anything untoward and had always operated it properly. So, the closure of his account came as a shock to him and had caused him a lot of worry. He asked PayPal to explain why it was no longer happy for him to use its services.

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

Mr W remained unhappy, so he complained to our service. He said he wants PayPal to provide a proper explanation for why it closed his account. He said he has never had any problems with financial institutions and his finances are all above board. So, he said he is clueless about why PayPal no longer wants him as a customer.

One of our investigators looked into Mr W's complaint. They explained why they didn't think PayPal had treated Mr W unfairly. Mr W 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 W, but I'd like to reassure him that I have considered everything.

The user agreement which Mr W 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 W'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 W subsequently tried to open.

Based on the information I've seen I can't say PayPal has acted unreasonably and treated Mr W unfairly when it decided to limit 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. And I won't be asking PayPal to reactivate Mr W's account.

I know Mr W 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 W to let him know it had limited his account, it did provide Mr W with an explanation for its actions and referred him to its terms and conditions. So, I think it's likely Mr W 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.

In summary, I know this will come as a disappointment to Mr W but having looked at all the evidence, I can't conclude PayPal has treated Mr W unfairly when it decided to limit his account and not tell him why. It follows that I don't uphold this complaint.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 August 2025.

Sharon Kerrison  
**Ombudsman**