

The complaint

Mr W complains that PayPal UK Ltd won't close his account and he's unhappy with its request for identification documents.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my decision.

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, I agree with the conclusions reached by the Investigator for these reasons:

- Financial businesses in the UK, like PayPal, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship
- These obligations generally cover the entire period of its customer relationship – from application to eventually the end of the relationship. This includes KYC checks and/or Customer Due Diligence (CDD). It's worth noting these checks include not just the verification of a customer's identity but also establishing the purpose and intended nature of the business relationship and origin of funds
- I don't find PayPal acted unreasonably in requesting identification documents from Mr W as it's required to do so, to comply with its legal and regulatory obligations
- I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from businesses 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 I considered should be kept confidential
- I acknowledge Mr W doesn't wish to provide his identification documents to PayPal and he says he didn't use the PayPal account often, so he would like it to be closed and the matter has caused him some worry.
- PayPal have confirmed the limitation on Mr W's account can be reviewed after he provides the documentation that has been requested from him. And if the limitation is removed, Mr W would have the option to close the account
- Whilst I appreciate Mr W has expressed concern about sharing his personal information with PayPal, it is entitled to request identification documents from Mr W, in keeping with The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017
- Mr W has mentioned that another business has closed an account for him, without requesting any identification documents. It's generally for financial businesses to

decide the due diligence procedures they carry out, to ensure they comply with their obligations. And my consideration of Mr W's complaint only extends to the issues he has raised about PayPal

- Overall, I don't think PayPal has treated Mr W unfairly in requesting identification documents from him
- Having considered everything, I think PayPal have acted reasonably in the circumstances of the complaint – so I won't be directing PayPal to do anything to put things right.

My final decision

For the reasons above, I have decided to not 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 13 March 2026.

Khadijah Nakhuda
Ombudsman