

The complaint

X complains about the poor service provided by PayPal UK Ltd when it applied a restriction on his account.

What happened

On 17 June 2025, X received some funds into his PayPal account. X attempted to withdraw the funds on 18 June 2025, but he was unable to make the withdrawal.

X contacted PayPal, on a number of occasions on 18 and 19 June 2025, to help him facilitate a release of his funds – unfortunately the PayPal agents were unable to assist him in getting access to his funds.

X complained to PayPal for a number of reasons including him being unable to access his funds, it hadn't explained to him why his account was restricted prior to the limitation and it hadn't made reasonable adjustments that he had requested regarding having direct access to a UK based or senior team.

PayPal responded to X on 20 June 2025, it didn't uphold his complaint. It explained a limitation was placed on his account because there was some unusual activity that had triggered its internal security system. These risks included the account being accessed from geographically inconsistent locations to X's registered address, access to the account via an anonymised proxy service and because the account had recently had the bank details updated.

PayPal says the activity was indicative of unauthorised account access and a higher fraud related risk. Therefore as a safety measure a temporary limitation was placed on the account to prevent potential unauthorised access to the account. PayPal say the limitation was lifted shortly after X confirmed his identity and changed the password on his account.

PayPal also said it was a global company with offices and departments all over the world which were in place to help address customer concerns in a timely manner. It said it did not offer a customer service line that would direct a customer to a representative in the UK. However it did have multiple ways of being contacted including phone, chat, email and it's help centre.

X remained unhappy so referred his complaint to our Service. X says while the initial limitation may have been legitimate, the block had been applied arbitrarily and without communication. It had taken too long to resolve and he was still unable to access his funds. X also says that the poor service had a detrimental impact on him especially as he had a disability and PayPal had failed to make reasonable adjustments for him in breach of the Equality Act 2010.

Our Investigator considered the complaint but didn't uphold it. She said PayPal had acted reasonably when the limitation was applied due to the security concerns it had. She felt the issues X had with withdrawing funds had been due to a bank account not being linked to the PayPal account. She also didn't think PayPal acted unfairly when it didn't agree to X having

a single point of contact, which he said was part of the reasonable adjustments he needed.

X remained unhappy. He said his complaint was concerning the limitation being applied arbitrarily and without communication, he had to raise multiple complaints just to obtain a reason for the block. X says he is still unable to access his funds. He also remained unhappy that his repeated requests for reasonable adjustments were ignored – he said that PayPal has UK based agents, employees and more than sufficient resource to provide the reasonable adjustments he requested.

As no resolution was reached the complaint has been passed to me to make a final 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.

I've carefully read all of the correspondence sent to this Service. That being said, my decision won't address every point or comment raised. I mean no discourtesy by this, it simply reflects the fact our Service is an informal dispute resolution service, set up as a free alternative to the courts. So, in deciding this complaint I've focussed on what I consider to be the heart of the matter, rather than considering every issue in turn.

It might be helpful for me to say here that, I don't have the power to tell PayPal how it needs to run its business, and I can't make PayPal change its systems or processes – such as how or when fraud prevention or security checks are deemed necessary regarding payments going in and out of an account. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures PayPal needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service, and we have no regulatory or disciplinary role.

I don't think it was unreasonable of PayPal to have limited the payments X wanted to make from his account. PayPal has a responsibility to prevent fraud and keep its customers accounts safe. PayPal have told us that the access and activity on the account was out of character given the way X usually operated his accounts.

I've considered if the limitation applied was arbitrary and looked at the communication from PayPal. I don't agree that the limitation was arbitrarily applied, I say this because PayPal has explained that the system limited the account because X's account was being accessed from locations inconsistent with his historic account access and was also being accessed using an anonymised proxy service. This coupled with a recent change to the bank details linked to the account meant the internal security system identified a risk. So I'm satisfied the limitation being placed on the account without prior notification to X was reasonable as PayPal needed to ensure it kept customer accounts safe from potential risks.

I've also thought about the communication with X following the limitation on the account. I've seen notes, and heard some recordings, of the calls that took place around that time. And, overall, I think that PayPal's advisers exhibited patience, understanding and a desire to help X sort out the problem.

PayPal's advisers couldn't override the limitation as it was a system block, but this was explained to him. And while I acknowledge they were unable to let him know why the limitation was applied in his various calls on 18 and 19 June 2025, X was provided the reasons for the limitation in the final response sent to him shortly after on 20 June 2025.

PayPal made a goodwill gesture payment of £100 for any poor experience X suffered. I'm

satisfied this was sufficient for the impact on X in having to wait a short while for an explanation on why the limitation was applied.

X complained that PayPal failed to make reasonable adjustments for him, by failing to give him a UK based single point of contact and failing to stop his calls being transferred to its teams in the Philippines. In other words, he's complained that PayPal has failed its duty to make reasonable adjustments under the Equality Act 2010.

I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If X wants a decision that PayPal has breached the Equality Act 2010, then he'd need to go to Court.

I don't think there's any dispute that X has disabilities – he's explained this to this service and PayPal in his interactions with both us and PayPal. And PayPal has a duty under the Equality Act 2010 to make reasonable adjustments in order to remove barriers to using its services.

But there are occasions when a consumer will ask for an adjustment which isn't "reasonable" because it isn't practical for a payment service provider, and so we wouldn't expect it to make that adjustment. In this particular case, X seems to want PayPal to provide him with a single point of contact and/or to only speak to a team or individual based in the UK, but I don't think he has explained why he thinks this will help.

And, having considered everything that's been presented by the parties in this case as well as our own interactions with X, I'm not sure that would have made much (if any) difference to his ongoing relationship and interaction with PayPal. PayPal has also explained why that isn't something it is able to do, and it's shared its reasons with X in its final response.

It has said as PayPal is a global company it had offices and departments all over the world which enable it to provide timely support to customers to address any concerns, and it doesn't offer a customer service line that would direct customers to just UK based agents. I don't think this is unreasonable and considering what PayPal has said about the reasons for the limitation I'm not persuaded having a single point of contact or a contact based in the UK would have changed the time it took to deal with X's concerns and remove the limitation sooner than it did.

I appreciate X still hasn't been able to release the funds held in his PayPal account but PayPal explained to X in its letter on 16 July 2025 that funds could only be withdrawn to a bank account and not a debit card.

Pay Pal have explained X hasn't taken steps to add his bank account and this is the reason he's been unable to withdraw the funds. X says he doesn't want to provide this information to PayPal and so this leaves the situation at somewhat of an impasse, but I can't reasonably say this is due to an error by PayPal as it has explained how the funds can be withdrawn.

PayPal has also said X can forward the funds to a friend or family's PayPal account, who may be then able to withdraw the funds for him, or it can make a manual payment to him, but he would need to provide his bank statement for verification purposes. I don't think any of these proposals are unreasonable in the circumstances.

X has also raised concerns about how PayPal handled his complaint – he's said he found it confusing as it sent him a final response on 20 June 2025 but then in a further email on 10 July 2025 indicated it was still investigating the complaint. But these issues are purely about complaint handling. The regulator the Financial Conduct Authority sets the rules that bind

this service and complaint handling isn't a regulated activity. So, I can't make a finding on issues X raised about the handling of his complaint.

So, while X may disagree with me and I appreciate he will be disappointed with my decision, I'm satisfied that the compensation PayPal has already paid fairly recognises the impact on X in the overall circumstances of this complaint.

My final decision

For the reasons mentioned above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 5 January 2025.

Jag Dhuphar
Ombudsman