

## **The complaint**

Mr H complains about how PayPal (Europe) S.a r.l et Cie, S.C.A. ('PayPal') has treated him. He complains that Paypal should have assessed his financial position when he missed payments to the credit account, and it did not support him when he informed it about his mental health condition. And he complains that it sold an outstanding debt on the account to a third party collection agency.

## **What happened**

Mr H has also complained that PayPal lent to him irresponsibly. But this part of Mr H's complaint has been considered separately, and so I'm not looking at this aspect of Mr H's complaint here.

In July 2018, Mr H applied for a revolving credit facility with PayPal. This was started with an initial credit limit of £250. The credit limit was increased to £500 in April 2019 and to £1,000 in October 2019.

Paypal considered Mr H's complaint about how it had treated him over time in relation to his financial and mental health condition and it hasn't upheld this. Unhappy with PayPal's response to his complaint, Mr H referred it to the Financial Ombudsman Service.

One of our Investigator's didn't uphold Mr H's complaint about these issues. She said that when Paypal was told about Mr H's financial difficulties, in November 2023, it acted appropriately. And this was the same when Paypal was informed about Mr H's mental health condition in September 2024.

Mr H didn't agree with this, and he said he had told Paypal about all of his problems before 2024. And he said it had not answered many of his calls and not helped him resolve the issues he had faced.

As no agreement has been reached this complaint has been passed to me to issue a 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.

Mr H needed to make the contractual repayments, at the agreed time, to the account. Paypal has said that Mr H was unable to regularly repay his account from March 2022 onwards. So, I think it's reasonable to say that Mr H didn't have the ability to pay the credit from this time. By this I mean it's clear that Mr H was unable to make the contractual repayments when they became due, and make up any amounts he had missed.

Because of this I don't think it was unfair of Paypal to recognise this and take the appropriate action. So, I don't think that Paypal was acting unfairly when it limited the account and passed the debt to a third party.

Mr H has complained about how Paypal has corresponded with him, he's said that it hasn't helped him when it should have and it hasn't kept him informed about his account and what it was doing.

I haven't reproduced or commented on all of the correspondence from the time that Mr H has had problems repaying the account. I don't think I need to as all the parties are aware of it. I have looked at it all and have noted that there were telephone conversations between Mr H and Paypal over time. And I've seen that it provided information to Mr H about the steps it was taking with the account. I think Paypal fully informed Mr H about all of this.

The information I've seen shows that Mr H was informed about how much he needed to pay in respect of the minimum repayments. And how he could do this. This is given in the annual statements and online.

Paypal has said that Mr H first notified it that he had financial difficulties in November 2023. Mr H says that he told it much earlier than this, but I've not seen any further evidence or correspondence to show this was the case. Albeit there were some indications that Mr H was having difficulties before 2023, as he had been unable to repay his account all the time. But I don't think this is enough to say that Paypal should have acted differently here.

Mr H has complained that Paypal should have completed an income and expenditure exercise to determine the amount he could properly repay when he was experiencing problems. But Paypal's records show that it offered to do this in November 2023 when it was in contact with him, but he didn't want to do this. So, I don't think it would be fair to uphold Mr H's complaint on the basis that this exercise wasn't undertaken as Mr H was given the opportunity to do this but chose not to.

Mr H contacted Paypal in September 2024 as he still wanted to use the account. He informed it at this time about his mental health condition. This was noted on his file and he was asked questions about how it affected his use of the account. Paypal referred Mr H to the relevant department to assist him in communicating with it, and it outlined the ways it could help Mr H with this. This was acted on going forward. I think it's reasonable to say that whilst Paypal and Mr H have had problems communicating over time, I think Paypal has taken reasonable steps, where it can, to help Mr H with this, given the information it has been provided.

Mr H has raised some more general complaints about the customer service he has received over time and issues about the online chat and a lack of returned calls. But I don't think there is enough, given the contact I've seen, to say that Paypal has acted incorrectly here and that Mr H should receive compensation for this.

And overriding all of this, as I've said above, is that Mr H has been unable to reliably repay the amounts he borrowed. I can't see that this is related to the customer service he has received from Paypal (and I'm not considering the lending decision here).

And, overall, I don't think I can see that Paypal has made mistakes to the degree that Mr H should receive compensation.

**My final decision**

For the reasons set out above, I don't uphold Mr H's complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 February 2026.

Andy Burlinson  
**Ombudsman**