

## **THE COMPLAINT**

Ms R's complaint is about PayPal UK Ltd ("PayPal").

## **WHAT HAPPENED**

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

In February 2020, a PayPal Working Capital loan for £12,500 was approved in Ms R's name ("the Loan"). Thereafter, £8,700 was withdrawn to Ms R's Nationwide account on the same day. Ms R says she did not consent to the Loan. She claims that her ex-partner ("A"), with whom she was in a controlling and coercive relationship, was responsible.

Ms R disputed this with PayPal, saying she should not be held liable for the Loan and that her credit file should be amended accordingly. Unhappy with PayPal's response, Ms R raised a complaint which she then referred to this Service.

One of our investigators considered the complaint and did not uphold it.

As Ms R did not accept the investigator's findings, this matter has now been passed to me to make a decision.

## **WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion he did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

### **Key findings**

Much of Ms R's case rests on her view that she did not benefit from the Loan. While that point matters, a more fundamental issue comes first: the circumstances in which the Loan was applied for.

Ms R's submissions to this Service and to PayPal indicate that she knew A applied for the Loan, but says she felt unable to intervene because of the abusive relationship she was in at the time.

For example, this Service's investigator asked Ms R whether she was aware of a previous PayPal Working Capital loan in her name opened on 9 January 2020, and then closed and cleared on the same day the Loan in question was approved on 26 February 2020. Ms R responded stating, amongst other things:

***"All I was told that he [A] is going to do that because he needed more money, he always made it feel like it was life or death situation and that's is the only way. And especially since I couldn't just go and get job, he made sure to state how useless I was."***

In other parts of Ms R's testimony to this Service, she states:

***"He [A] already had two County Court Judgment himself because he did the same thing from his bank account. So to continue to borrow more money he thought he can open another paypal account, but in my name. This time my passport had a different surname, it was a different address, and different bank account. I was protesting this time but after shutting me down for days and not buying food, eventually he came and promised me that nothing will happen to me as it is an authorised loan, plus his ebay business would be connected to the paypal so he would actually repay the debt. At that time it was easier to believe him that to fight him. He himself took my passport, letter from the doctor to prove the address and he had my bank card to open this new paypal account with my email address."***

I can see from PayPal's file that Ms R told it, amongst other things:

***"At the time, I was pressured into allowing him [A] to open these accounts using my personal details, but was assured they would be used responsibly and that I would not be exposed to any financial liability."***

[My emphasis added in bold.]

Based on the above, and the fact Ms R accepts she transferred the Loan funds, I am satisfied that, on the balance of probabilities, she was aware that A was applying for the Loan in her name. I acknowledge the controlling and coercive behaviour she describes, but I must assess what PayPal knew at the time. I have seen nothing to suggest PayPal knew, or ought to have known, that Ms R was being coerced and controlled when the Loan was taken out. As far as PayPal was concerned, based on the information it had before it, Ms R was legitimately applying for the Loan.

Taking all the above points together, I find it fair and reasonable for PayPal to hold Ms R liable for the Loan if it wishes. Therefore, I will not be directing PayPal to do anything further. As I have found Ms R liable for the Loan, it is not necessary for me to consider whether she benefitted from the proceeds.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

## **MY FINAL DECISION**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 30 April 2026.

Tony Massiah  
**Ombudsman**