

The complaint

Mr G complains PayPal UK Ltd permanently limited his account and he can't access the money in it.

What happened

PayPal told Mr G his account had been permanently limited. Mr G's account had been limited previously, and then made active again, so Mr G complained to PayPal.

PayPal responded to say this limitation was unrelated to any previous limitation. PayPal said this permanent limitation was because of unusual activity it couldn't support.

PayPal said it would hold Mr G's money for 120 days, releasing it towards the end of December 2025.

Unhappy with this response, Mr G brought his complaint to this service. An investigator looked into things but didn't think Mr G's complaint should be upheld.

The investigator said PayPal had provided information in confidence, so they couldn't tell Mr G exactly why PayPal had limited his account. But the investigator had assessed what PayPal had said and thought it had made a fair decision to limit Mr G's account.

PayPal said it would release the money, and the investigator said Mr G wasn't able to access the money now because he was trying to pay money in Euros into a Sterling account. The investigator passed on how to change the currency of the payment.

Mr G didn't accept this outcome, and said his account wasn't being used for illegal purposes, the previous reason for the limitation. Mr G said it wasn't fair of PayPal not to tell him why it thought he was a risk, this meant he couldn't reply to PayPal's concerns.

Mr G said PayPal couldn't rely on unfair contractual powers and said the General Data Protection Regulations (GDPR) were relevant to his complaint.

The investigator told Mr G he could pass on the account details of another PayPal user and PayPal would make the payment for him. The investigator also said Mr G wasn't using his real name on the account and had logged in from other countries.

Mr G said he was using an alias and had previously sent in his identification. And Mr G said it wasn't illegal to use his PayPal account from overseas. Mr G asked for an ombudsman to decide his complaint.

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.

PayPal, like Mr G, is allowed to ask this service to keep certain information confidential. The

rules of this service, DISP, say in DISP 3.5.9R:

The Ombudsman may: (2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate

and in DISP 3.5.10G it says:

Evidence which the Ombudsman may accept in confidence includes confidential evidence about third parties and security information.

But I need to balance PayPal's right to keep information confidential with Mr G's right to reply to PayPal's concerns. I've thought carefully about this, but I think PayPal can fairly keep some of the information it sent this service confidential.

The information PayPal's shared with this service includes security and compliance information, which I think, if released, could cause damage to PayPal.

Looking at what PayPal's sent this service, I think it made a fair decision to permanently limit Mr G's account.

Mr G's account is a personal account, but it wasn't opened in his name. I accept Mr G has sent in proof of his identity, so PayPal was aware the account wasn't in his name, but still allowed him to continue to use it.

I don't think this alone was enough to permanently limit Mr G's account.

And there's little dispute Mr G's been accessing his account overseas. The countries Mr G's accessed his account from are on PayPal's permitted countries list, again I don't think this alone is enough to permanently limit Mr G's account.

Mr G's account has been limited previously because PayPal thought Mr G was streaming adult content. Mr G says he's not done this, and the previous limitation was removed.

PayPal's said the current permanent limitation is unrelated to adult streaming, and I agree this is the case. I don't think any previous allegation of adult streaming is relevant to Mr G's current permanent limitation.

But the confidential information PayPal's sent this service, in addition to PayPal's concerns about the name and location of log ins is, I think, enough for PayPal to make a fair and reasonable decision to permanently limit Mr G's account.

Since I don't think PayPal's made a mistake in permanently limiting Mr G's account, I won't be asking it to remove the limitation.

Mr G's said PayPal's stopped him accessing the money in his account. But it seems Mr G is trying to send the wrong currency to his bank card, and his bank is declining the credit.

Although Mr G says he's been able to send Euros to this card before, I'm satisfied he now can't and this doesn't seem to be PayPal's error.

Mr G's been able to withdraw a Sterling balance he had on his account, but not the Euro balance. This suggests there's a problem with Mr G's receiving bank, not PayPal.

I think it's unlikely one payment would be successful but one not. I think if PayPal had made an error, Mr G wouldn't be able to make either withdrawal.

The investigator's explained the process of converting the Euros to Sterling to withdraw, or the option of PayPal initiating a payment to another PayPal account.

I think PayPal's done enough to tell Mr G what to do to access his money.

And I'm not sure why Mr G's said GDPR is relevant to the outcome of his complaint.

But it's my role to make a determination on whether PayPal has treated Mr G fairly and reasonably in all the circumstances of his complaint.

Having done this, I think PayPal has treated Mr G fairly and reasonably.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 17 March 2026.

Chris Russ
Ombudsman