

## **The complaint**

Mrs D is unhappy with a disputed transaction totalling £129.60 on her PayPal UK Ltd account.

## **What happened**

The facts of this case are well known to both Mrs D and PayPal so I will only briefly summarise them here.

A payment totalling £129.60 debited Mrs D's account on 12 July 2025 and went to a company I will refer to as "W". Mrs D raised a dispute with PayPal about this payment the same day.

PayPal temporarily removed the disputed amount from the balance while the dispute was investigated. When the claim was declined on 23 July 2025 the disputed amount was added to the balance.

PayPal doesn't accept that it was unfair in processing the payment. However, as a gesture of goodwill has credited Mrs D with the outstanding amount £129.60 on 9 October 2025. And following our involvement it has increased this offer by £23 to cover all the interest Mrs D was charged on the account since the purchase was made in July 2025.

Mrs D felt this offer is inadequate. She says she received conflicting and incorrect information throughout this process. She references being told to go to her bank and the confusion and distress of how PayPal's dealt with her complaint had caused her. She has also mentioned that she had accessibility needs which she felt PayPal hadn't made reasonable adjustments for.

Our investigator concluded that PayPal's offer was fair. As Mrs D disagreed this complaint has been assigned to me for 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.

Having done so, my conclusions are the same as our Investigator and for materially the same reasons. I'll explain why.

Before I go through this, I want to acknowledge that I have summarised this complaint briefly and in less detail than has been provided. I've concentrated on what I think is the main parts of the complaint. While I may not comment on every complaint issue, I have considered it. I'm satisfied that I don't need to comment on every individual issue or argument to be able to provide what I think is a fair outcome. Our rules allow me to do this due to our service being informal and a free alternative for consumers to the courts.

### £129.90 payment

PayPal confirmed that this payment was part of a billing agreement that Mrs D had with W. Its internal notes demonstrate that this was arranged on 26 July 2024. PayPal has said that the billing agreement was not cancelled until after the payment was requested by W. So I'm satisfied that at the time the payment was requested the billing agreement was still active and PayPal acted fairly in processing the payment. Although Mrs D cancelled the agreement on the same day, PayPal's terms also allow it to process payment that are already due before the cancellation takes effect.

I appreciate that Mrs D felt that the payment should not have been taken and that she did not receive an autorenewal notification. However, I do not think PayPal was unfair by processing the payment or by not providing the notification, as this was ultimately a matter between Mrs D and W.

After reviewing the circumstances of the payment, I agree with the investigator that PayPal didn't need to issue a refund and has done so as a gesture of goodwill in recognition of the poor service Mrs D received. Following our involvement PayPal has also offered an additional £23 to cover the interest Mrs D was charged on all her transactions since the £129.60 payment. This brings the total Mrs D has been offered to £152.60.

#### Is the amount of compensation offered fair and in accordance with our approach

Unlike the courts, our service's compensation awards are not intended to punish, our aim is to, as much as possible, put the consumer in the same situation as if the error had not happened.. More information about our approach to compensation can also be found on our website.

While Mrs D has also quoted the Equality Act, it isn't the role of the Financial Ombudsman Service to make a decision as to whether this act has been breached. Ultimately this is a matter for the courts. That being said I have considered whether PayPal has dealt with Mrs D fairly.

Mrs D told PayPal on 15 September 2025 that she is unable to speak to them on the phone as she has autism. And I've not seen that PayPal did speak to her over the phone after this date. Mrs D has also explained to our service the practical ways we can communicate with her – which are mainly to provide clear and concise communication.

PayPal acknowledges that it hadn't dealt with Mrs D fairly and incorrectly advised her to speak to her bank regarding the refund. I've also reviewed the relevant chat Mrs D had with PayPal. I've seen Mrs D was incorrectly told to contact her bank. I've also seen that there was some confusion around whether the amount was taken twice by W. But PayPal has since clarified that wasn't the case and offered Mrs D a full refund.

I do want to acknowledge that in part I am being asked to determine a financial amount for distress. And that is inherently unsatisfactory as a financial amount won't undo the impact this had on Mrs D. I've carefully considered the information Mrs D provided including her comments around how the incorrect information caused her confusion and distress. Our service has an approach to awarding compensation, which as I mentioned above is not intended to punish the business. Taking into consideration the guidance to compensation on our website and the impact of PayPal's error, I'm satisfied the refund and interest totalling £152.60 offered, for the distress and inconvenience PayPal's errors caused, is fair and reasonable.

**My final decision**

My final decision is that I direct PayPal UK Ltd to, if it hasn't done so already, refund Mrs D £129.60 and £23 interest.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 7 May 2026.

Sureeni Weerasinghe  
**Ombudsman**