

complaint

Mrs R is unhappy that PayPal Europe Sarl & Cie, SCA ("PayPal") won't refund a series of transactions made using her account.

background

Mrs R has an account with PayPal. In August and September 2017, a series of gambling payments were made from her account that weren't authorised by her. She's told us that these payments were made by her ex-partner after their relationship ended.

Her PayPal account is connected to her bank account. She was able to recover these payments through the bank. But because PayPal had already paid the gambling companies directly, it has now recorded a significant negative balance which she is expected to repay. Mrs R says that these payments weren't authorised by her and so PayPal should refund them.

PayPal said it wouldn't refund the payments. It thinks she was aware that the security of her account was compromised because her ex-partner had her log-in details. It says that she should've notified PayPal directly or changed the security details herself and that, under the terms of its User Agreement, it isn't required to refund them.

The complaint was looked at by one of our investigators who didn't uphold it. Mrs R disagreed with the investigator's opinion. She said that she specifically only queried the transactions that took place *after* the relationship ended. She also told us that the relationship had been an abusive one and she wasn't in the right frame of mind to take steps to secure her PayPal account. She also told us that during this period she was diagnosed with a medical condition which can have a cognitive impact – she says that her awareness of what was going on may have been affected by that condition.

Because Mrs R disagreed with the investigator's opinion regarding the refunding of the payments, the complaint has been passed to me to issue a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And having done so, I've come to the same conclusion as the investigator and for broadly the same reasons.

The terms applicable to Mrs R's account are set out in the User Agreement. It says (amongst other things) that the account holder should notify PayPal if there has been any unauthorised transactions on the account or unauthorised access to it. It goes on to say that the account holder won't be liable for unauthorised use so long as they haven't allowed a third party to gain access to the account.

Unfortunately, the account history shows that there were gambling payments going back to 2016. It also shows that winnings from individual bets had been paid back via the account. On balance, I think it's more likely than not that Mrs R was aware that the security of the account had been compromised but that she didn't notify PayPal.

Mrs R has pointed out that this all took place in exceptionally difficult personal circumstances for her. She was in a vulnerable position when the relationship ended and securing the

account was unlikely to be a priority for her. But from the evidence I've seen, PayPal had no reason to think there was anything unusual about the way the account was being operated until Mrs R made them aware of the situation. In view of that, I don't think it would be reasonable to expect PayPal to refund the payments.

my final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 18 January 2020.

James Kimmitt
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