

complaint

Mr C complains that PayPal Sarl & Cie, SCA unfairly prevented him from making payment to his account and is wrongly holding him liable for the debt on another account.

background

Mr C says that he received notification from PayPal that his account had been restricted because it had been linked to a business account on which money was owed. He says that his PayPal credit account payment was also due but that, although he tried to pay this with his debit and credit cards, he was unable to do so because of the restriction.

Mr C believes that PayPal has treated him unfairly, and that any issues on a business account should not affect his personal account. As things were not settled with PayPal, Mr C brought his complaint to this service where one of our adjudicators investigated it.

From the evidence, the adjudicator felt that PayPal had been entitled to link the two accounts and that it had not treated Mr C unfairly when it placed limitations on his account. Overall, the adjudicator did not recommend that the complaint should succeed.

Mr C did not agree and said, in summary:

- The restrictions are causing him to accrue arrears and be charged late payment fees, because he is unable to link any bank or credit card to the account to fund it.
- PayPal told him he could call to arrange to make payment, but when he did so it also asked him to repay the debt on the business account.
- It is illegal for PayPal to ask him to pay off a business debt that he has not specifically guaranteed. He will report the matter to the police, if necessary.
- He would like to see the terms and conditions that applied on the day he opened his account.
- This matter is affecting his credit score, which is vital to him for his living. He would like a refund of all fees and the limitation to be lifted on his account so that he can add his card.
- He would also like an apology and compensation of £250 for his time and distress.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I appreciate that Mr C considers PayPal cannot ask him to pay off a debt on an account that is used for a limited company business. However, from what I have seen the business PayPal account is owned by Mr C and can see no reason why PayPal should not ask him to repay the debt on it.

In the circumstances, I do not consider that PayPal acted unreasonably (or outside the terms of the account) in applying restrictions to Mr C's personal account. Whilst those limitations mean that Mr C cannot actively add new cards or bank accounts to his PayPal account, I'm not persuaded that Mr C was prevented by PayPal from making the necessary repayments.

The initial late payment charge was already incurred before the events complained about, and I do not accept that the further late payment fees were charged because PayPal refused to allow Mr C to make his credit repayments. It has provided information about how he may make payments, in emails sent to him.

It may be that Mr C has been reluctant to make payment on the undisputed account unless PayPal agrees not to hold him liable for the debt on the business account – but that is not something I consider it is obliged to do.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 March 2017.

Jane Hingston
ombudsman