

## The complaint

Mr V complains that PayPal (Europe) Sarl et Cie SCA ("PayPal") has acted incorrectly in how it has administered his account.

## What happened

Initially Mr V complained that the account was not his account and that in any event PayPal ought not to have assigned the debt to a third party. Nor should PayPal have asked the credit reference agencies to register a default on his credit file in relation to this account.

Later, Mr V told us the account is his account, but he did not recognise some of the transactions. Then later still Mr V indicated he did not recognise any of the transactions.

As the complaint progressed Mr V clarified his complaint:

*"My complaint is not to ask for you to be a go-between but force them to explain why they sold a portfolio they can't explain to a 3rd party? And if they can't explain it, correct it."*

In response to Mr V's complaint PayPal gave several responses. In response to Mr V's initial iteration of his complaint, PayPal indicated that it had determined to its own satisfaction that Mr V had opened this account and used it. Moreover, it was satisfied that the transactions it had pursued him for had all been made by Mr V.

Further, Mr V had agreed to abide by the terms and conditions of the account. Mr V had not repaid the debt in line with the relevant account terms and conditions. As a result PayPal had ultimately defaulted the account having taken all the steps it was required to take before doing this. Moreover, it is entitled, under the relevant terms and conditions, to sell the debt to a third party.

Later, at Mr V's request it provided further details of the transactions on the account. And offered further assistance should he require it. PayPal reiterated that it was satisfied that it was entitled to hold Mr V liable for these transactions.

Further, PayPal did not agree it had sold an account that it was unable to explain. Rather it indicated it had done nothing wrong and there was nothing for it to correct.

For all of these reasons PayPal did not uphold Mr V's complaint.

Dissatisfied, Mr V complained to our service about both the actions of PayPal and about the actions of the third party that PayPal had sold the debt to.

The complaint about the third party was dealt with by our service in a separate final decision.

One of our investigators looked into Mr V's complaint about PayPal. Our investigator did not recommend that Mr V's complaint ought to be upheld.

PayPal accepted this recommendation, Mr V did not. In brief in rejecting the recommendation Mr V indicated that:

- This service should have followed Mr V's instructions about what questions we needed to ask PayPal and what information we should have insisted it sent us.
- PayPal has an inadequate complaints process and potentially its systems are flawed so that transactions that are not his have been attributed to him, and we should have pushed it on this point.

- PayPal had not given sufficient information to justify its stance that he is responsible for the transactions.
- PayPal had given information about the transactions which was questionable and did not make sense.
- PayPal was claiming for transactions that had suddenly appeared and that is why he had not queried them at the time, albeit those transactions apparently happened years ago.

Mr V asked that an ombudsman review his complaint, which I did. Having considered the available evidence, I did not intend to uphold Mr V's complaint, but my reasons for this were not entirely the same as our investigator's. As a result, I thought it was fair to let Mr V and PayPal see my provisional findings and make further submissions (if they wanted to) before I made my final decision. Therefore, I issued a provisional decision and I've set out below what I decided provisionally - and why. This forms part of my final decision.

### ***"What I've provisionally 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.*

*First, I'm very aware that I've summarised this complaint in far less detail than the parties and I've done so using my own words. I'm not going to respond to every single point made by all the parties involved. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here.*

*Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. Rather, I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome.*

*This service is independent of both consumers and the businesses they are complaining about. This means that we don't act for consumers, nor do we take instructions either from consumers or businesses or allow either party to direct the course of our investigations; were we to do so, it would compromise our independence and impartiality. It's up to us to determine what evidence we need in order to investigate a complaint. So although I've noted Mr V's directions in relation to the information we ought to have sought and how we should have conducted our investigation, following those directions is not something that I'm able to do. Neither am I persuaded that we needed to get more information than we have already asked for in order to investigate Mr V's complaint appropriately, in any event.*

*Some of Mr V's complaint relates to his dissatisfaction about the way PayPal has dealt with his complaint. However, I must explain that this isn't something I'm able to consider. Our rules only allow us to consider complaints about regulated activities. Complaint-handling isn't a regulated activity in its own right, nor is it one of the specified non-regulated activities that I'm able to deal with under our compulsory jurisdiction. It's also not an activity that's ancillary to a regulated activity, such as account administration or advice. Therefore, a complaint about the way PayPal dealt with a complaint doesn't fall within the scope of our rules, and so I don't have any legal power to consider Mr V's dissatisfaction about this aspect of his complaint.*

*I've already mentioned that there was an earlier complaint which was linked to this one, albeit that complaint was against a third party. Further, that complaint has already had a final decision. That final decision found, amongst other things, that the third party did nothing wrong in pursuing Mr V for the debt as all the information suggested that the spending was genuinely Mr V's. Therefore I can't look again at whether the debt is genuinely Mr V's.*

*It follows that the only remaining points I need to look at are whether PayPal provided clear information about the transactions and whether PayPal is asking him to pay for transactions*

*that have suddenly appeared. Also, I need to look at whether PayPal acted inappropriately in defaulting the account and selling it to the third party.*

*I realise Mr V has been dissatisfied at times with the format in which PayPal presented the information. Mr V is entitled to expect that the information about the transactions should be presented by PayPal in a user-friendly manner. But it has provided the information in formats that I find are clear, even if Mr V disagrees. It has also offered Mr V further assistance should he need it. Therefore I think PayPal has done enough.*

*Mr V indicates that some of the transactions have seemingly appeared from nowhere. But I find PayPal has provided a satisfactory audit trail especially given that the transactions happened several years ago. I don't find it likely that these transactions were not reported to him at the time. I accept that Mr V might query transactions that he does not remember and so these transactions might appear to him to be coming out of the blue. But again some of the transactions are so old it is not surprising Mr V might have an imperfect memory of them. I also think it is significant that at first Mr V could not remember this account at all. This has impacted on the weight I feel able to place on his recollections about this point.*

*Both parties seem to agree that Mr V did not pay off the debt which caused the default. The relevant terms and conditions which Mr V would have accepted when he opened the account, (which he says he did) permit PayPal to default his account in these circumstances. Therefore I find it is reasonable that PayPal can rely on these terms and conditions.*

*PayPal's records which I've no reason to doubt on this point, demonstrate it sent Mr V all the relevant notices before it defaulted the account. Mr V indicates he never received these. I have no reason to doubt Mr V's statement that he did not receive this information, but I am satisfied that it was sent in accordance with PayPal's normal process in this situation. So I don't think PayPal was at fault if Mr V did not receive this information.*

*Moreover, even if Mr V had received the information given that his initial stance was that this was not his debt, it seems unlikely he would have paid and therefore avoided the default, in any event.*

*For all of these reasons, I have no proper grounds for saying that PayPal must contact the credit reference agencies and ask them to remove the default it asked them to register on Mr V's credit file.*

*I've looked at the relevant terms and conditions for the account and it appears that the sale of Mr V's account was permitted. Again Mr V accepted these terms and conditions. So it follows it is reasonable that PayPal is allowed to rely on them. Therefore I have no proper basis to tell it has to "correct" this as Mr V asks.*

*For all of these individual reasons I don't propose to uphold Mr V's complaint.*

### ***My provisional decision***

*My provisional decision is that I don't currently intend to uphold Mr V's complaint."*

Both Mr V and PayPal responded to my provisional decision.

In summary, Mr V responded that he had not initially denied the account was his to "obfuscate something". Rather, as soon as he received enough information to identify the account to his satisfaction he acknowledged it as his, albeit he thought the balance was wrong.

Also Mr V repeated his stance that the information that PayPal provided about the balance was extremely unclear. Mr V told us he had repeatedly questioned PayPal about the transactions that made up the balance and it had provided inadequate responses. In particular, he indicates that the calculations PayPal sent him don't add up. He repeated that the transactions are not his.

Mr V then set out the methodology that he thinks we ought to insist that PayPal should use to prove that it has provided accurate information about the transactions.

PayPal's response was that it had nothing further to add.

### **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.

I thank both Mr V and PayPal for their responses to my provisional decision. It has been particularly helpful that PayPal let me know it had nothing further to add and Mr V took the time to set out his view on my provisional decision, so that I have been able to gain a fuller understanding of his position and concerns.

I've thought about the responses I received and also I've reviewed the file again and revisited my provisional decision. I've not been persuaded by Mr V's response to my provisional decision and therefore I am not upholding his complaint. I'll explain my further reasoning below.

I accept Mr V did not try to "*obfuscate something*" because he initially said the account was not his. I merely set out the history of the complaint in the "*what happened*" section of my provisional decision. And it is correct to say that Mr V did, at first, say the account was not his.

Mr V tells us it is the content of the information that PayPal provided that concerns him not the format of that information. Specifically he now talks about PayPal's calculations. But I note that was not his focus when the complaint started, rather he raised various objections. For example, amongst other things, he wanted PayPal to prove he'd received the products he was being charged for, he was unhappy with the format of the information provided. All of his various objections I think though stemmed from a dissatisfaction with being asked to pay for a debt he thinks is not his. I've already explained why I don't have the power to look again at the question of whether this is Mr V's debt.

In any event, whilst I recognise Mr V remains unhappy with the information PayPal has provided, I think PayPal has done enough. It has told Mr V what he is being charged for and why and it has offered further assistance on this point should Mr V request it. So I am satisfied that PayPal has acted reasonably and need do nothing further in relation to this part of Mr V's complaint.

It's clear that Mr V has strong views about how PayPal ought to have gone about things to show the information it has provided about the debt is accurate. He wants this service to follow his directions on this point. However, I've already explained why it would be inappropriate for me to follow his directions. Moreover, I have already found that PayPal has acted reasonably and need do nothing further in relation to this part of Mr V's complaint.

It follows that since I have not been persuaded by Mr V's response to my provisional decision, I've come to the same conclusions and for the same reasons as I set out in my provisional decision and in this decision.

### **My final decision**

My final decision is I don't uphold Mr V's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 29 September 2023.

Joyce Gordon  
**Ombudsman**