

The complaint

Mr G complains that PayPal (Europe) Sarl et Cie SCA has declined to reimburse payments from his account that he says he didn't make or allow anyone else to make.

What happened

Mr G says that he doesn't recognise payments from his PayPal account made to Uber between June 2019 and September 2022. He reported this to PayPal in May 2023 explaining that he hadn't noticed them sooner because he doesn't use his PayPal account very often.

PayPal declined to provide a refund of these payments to Mr G. In summary it said that a billing agreement was set up on Mr G's account with Uber on 29 June 2019, this meant Uber could automatically collect payments on an ongoing basis without Mr G needing to log into his PayPal account. All the disputed payments were made this way and it was satisfied Mr G had set this up. It added that a PayPal buyer protection claim must be raised within 180 days and so this wasn't applicable in the circumstances.

When Mr G referred his complaint to our service, the investigator didn't uphold the complaint. In summary they thought the evidence supported the payments being authorised and that PayPal had acted fairly in not refunding them to Mr G.

Mr G didn't agree, he said the payments were for different amounts and sometimes more than one was made on the same day. He didn't remember setting up a billing agreement or using Uber this way.

The matter was passed to me for consideration by an ombudsman. I let Mr G know that PayPal had provided further evidence as follows:

- That when the billing agreement was cancelled in October 2022, Mr G's account had been accessed using his biometrics.
- That Mr G was sent an email to the correct email address each time one of the disputed payments was made.

Mr G said he thought he'd cancelled the agreement when he identified the payments, but he couldn't recall when this was and that he didn't remember getting any confirmation emails.

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 I'm not upholding this complaint - I think PayPal has acted fairly in treating the disputed payments as authorised for the following reasons:

- When the billing agreement was set up with PayPal, this was done after someone

logged into Mr G's PayPal account. This involved entering Mr G's username and password correctly, then entering a code that had been sent to his mobile number. There's no explanation for how this secure information was compromised.

- Just over 20 payments were made to Uber using this billing agreement over the course of 3 years. This pattern of spending isn't consistent with third party fraud.
- PayPal has shown it sent emails to Mr G's correct email address for each payment.
- I appreciate Mr G says he rarely uses his PayPal account, but I think it's more likely than not that he would have seen at least some of these payments and / or emails at the time.
- Mr G says he has used Uber but normally puts this on his card with his main bank account. It's possible he set up the link between his PayPal account and the Uber app but over time forgot this was the payment method he had put in place. I note that other than a payment in September 2022, a payment wasn't made in this was to Uber since August 2021. So, a significant amount of time had passed.
- The billing agreement appears to have been cancelled by Mr G in October 2022 – the account was accessed using his biometrics.
- While direct debits do usually come out on the same date each month, this is not what was in place. The billing agreement, as set out in PayPal's terms and conditions allowed Uber to be set up as a trusted merchant to take payments automatically as Mr G made purchases. So, it's to be expected that the amounts and dates would vary as they reflected the goods/service purchased on each occasion.
- I note PayPal has said that Mr G raised the dispute too late to raise a claim under its buyer protection policy / chargeback rights. I can't see it has made an error in applying this as over 180 days had passed from the last disputed payment when it was raised in May 2023.

For these reasons I think it's more likely than not that Mr G did set up the relevant billing agreement and that the disputed payments were authorised.

My final decision

My final decision is that 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 23 April 2024.

Stephanie Mitchell
Ombudsman