

## **The complaint**

Mr B complains that PayPal (Europe) Sarl et Cie SCA withheld his money and closed his account.

## **What happened**

Mr B contacted us on 19 September 2023 following payments made into his account for him to use for an accommodation deposit. He says PayPal said he was using the account whilst acting as an escort which he says was incorrect. Mr B says the money was sent by family and friends and was not a business transaction. He says PayPal unfairly closed his account.

PayPal says it released the money but says Mr B breached its user agreement. It says it has a letter from Mr B regarding a different complaint. That letter, it says, provides evidence the account was being used for a prohibited activity and so was entitled to close the account. It also says it's entitled to review a transaction.

Mr B brought his complaint to us and confirmed his money had been released on or before 2 October 2023. Our investigator didn't uphold the complaint. The investigator thought it up to PayPal to decide with whom it wished to have a business relationship and hadn't made a mistake or acted unfairly.

Mr B doesn't accept that view and says there have been crimes committed by PayPal. He says he has other evidence that he can provide about the way in which PayPal has acted.

## **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 don't uphold this complaint.

I have looked carefully at PayPal's user agreement which I am satisfied Mr B would have agreed to when the account was first opened. That agreement says that the account can't be used for certain activities. I appreciate that Mr B says that the blocked transaction here was from friends and family for a deposit. But I don't think that is relevant for the reasons I will explain.

I'm satisfied that in line with the user agreement, PayPal is entitled to review any transaction and satisfy itself what it was about. And that PayPal in any event was entitled to consider the evidence provided by Mr B himself regarding a separate complaint in which he asked PayPal for a refund for a transaction. I have looked at that complaint letter and it's clear Mr B accepts using his account, for both a payment and receiving a payment for what is described as a prohibited activity. I can see Mr B told PayPal he sent a deposit for a service via PayPal. So, I'm satisfied that PayPal was entitled to close Mr B's account in these circumstances and didn't act unfairly by doing so. I also think that PayPal having reviewed that complaint letter was entitled to reasonably review any further transaction which is what happened here regardless of the transaction type or origin.

I have made clear that PayPal was entitled in these circumstances to review a transaction for the payment into Mr B's account. I appreciate Mr B was caused inconvenience and was worried about how long any review would take, But I don't think PayPal made a mistake or acted unfairly by carrying out the review which I can see took some days and was carried out relatively quickly, before Mr B was able to access his money.

I appreciate Mr B says PayPal has committed a crime. I make clear to Mr B that I don't think it acted unfairly by reviewing the transaction or by closing the account. It would be for a court to decide in any event not us if a crime has been committed. I also appreciate Mr B says he has other evidence he would like us to consider but I'm satisfied he has had ample opportunity to provide it to us for consideration.

Overall, I appreciate Mr B was unable to access his money, but I can't fairly conclude that PayPal acted unfairly and find it acted in line with an agreed user agreement. I also think it's up to PayPal when exercising its commercial judgement to decide with whom it wishes to have a business relationship.

### **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 B to accept or reject my decision before 25 December 2023.

David Singh  
**Ombudsman**