

## The complaint

Mr C complains that two payments he sent from his account with PayPal (Europe) Sarl et Cie SCA ("PayPal") didn't reach his bank account.

## What happened

Mr C sent two payments from his PayPal account to his bank account with a third party. Incorrect details were entered when the account was linked, so the payment was sent and went to someone else's account. Mr C says the account number was correct but the digits round the wrong way, so an unintended third party has ended up with the money. As the sort code was correct, the money did go to the correct bank, just not the correct account or person.

So, Mr C logged a complaint with PayPal. PayPal looked into the complaint but didn't think it had done anything wrong. It says it tried to recall the money but got no response from Mr C's bank. So, Mr C brought his complaint to our service.

Our investigator looked into the complaint and thought it should be upheld. PayPal didn't send any information to be considered by our service but based on what we did have from Mr C, our investigator didn't think PayPal had done enough to communicate with the receiving bank to get the money back. Our investigator recommended PayPal pay Mr C £400 compensation for the delay in getting the funds returned.

PayPal didn't respond to the investigators view, so the investigator increased the compensation to £500. Our investigator said the increase was for the delays and the lack of communication to our service.

As PayPal didn't respond or agree to the investigator's view, the complaint's been passed to me for a final decision.

I issued a provisional decision on 05 December 2023. In it I said

*As there is limited information from both parties to support this complaint, I've largely had to base my decision on the balance of probabilities and what I think most likely happened.*

*Having done so, I've decided not to uphold this complaint, which is a different outcome to the investigator. I'll explain why.*

*When Mr C initially called our service to log the complaint, he said he wasn't sure who had made the error with inputting the account number. I understand Mr C called PayPal and the account number was given and set up by the PayPal advisor, but without a copy of the call, it's unclear who made the initial error. Mr C also said the call happened around a year before this payment was made, and from listening to the calls he had with our investigator, he doesn't seem confident himself that the error was made by PayPal.*

*It's also worth noting that the account number that the money went to is very similar to that of Mr C's, the last 4 digits being the same but a different combination of the numbers. So, I*

*can understand how either party may have made a mistake when setting the linked account up.*

*Having said that, even if the PayPal advisor had taken the number incorrectly, I'm satisfied it's not the reason Mr C now can't get his funds returned.*

*PayPal contacted Mr C on 17 March 2023 to say it had traced the funds and they had credited someone else's account.*

*PayPal then contacted Mr C on 09 June 2023 to say that it had been contacting his bank to ask them to run a trace and get the funds returned - but had got no response. Given the email I've seen, I find it most likely PayPal have made contact and haven't had a response from the bank.*

*As the funds are now with a third party, PayPal won't be able to pull the funds back without cooperation from the bank itself. In these circumstances I'd expect the bank to be cooperating and as a minimum letting PayPal and Mr C know if they can't get the funds returned and the reason why.*

*In summary I'm satisfied PayPal have done as much as it can in this situation and what we'd expect them to do as a service. It will now be down to the receiving bank to locate and return the money. Mr C can enquire about logging a complaint against the receiving bank if he hasn't done so already and this may support him in locating and getting his funds returned.*

Mr C responded to my provisional decision to say that he didn't have anything else to add.

PayPal didn't respond to the provisional decision by the deadline given.

### **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.

Given that I haven't been presented with anything compelling disagreeing with my provisional decision, I see no reason to depart from it.

### **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 C to accept or reject my decision before 18 January 2024.

Tom Wagstaff  
**Ombudsman**