

## **The complaint**

Mr C complains PayPal (Europe) Sarl et Cie SCA blocked his account and demanded full payment. He would like access to his account.

## **What happened**

Mr C had a credit account with PayPal. Mr C's account went into negative balance. PayPal blocked the account pending the balance being cleared.

Mr C said he was unable to access his account online due to the account being blocked so he wasn't able to make payments.

PayPal have said that Mr C was told he could call them and make manual payments. Mr C has said he wasn't able to manage his account and see his statements.

Mr C has said there had been an interest payment increase which meant that he wasn't able to afford his payments. The interest had increased from 21.9% to 23.9%. Mr C has said that the increase in the interest has meant he isn't able to keep up with the level of payments.

Mr C's complaint is that he hasn't been able to access his statements or make payments through direct debits. He has no access to balance information so isn't sure how much he owes.

Mr C was unhappy with PayPal's response to his complaint, so he complained to our service.

One of our investigators looked into the complaint. He thought PayPal hadn't acted unfairly when it blocked his account. He didn't think PayPal had acted unfairly when they provided a process for Mr C to make payments. He thought they had provided Mr C with a way to getting statements and he didn't think the increase in interest rates was unfair.

Mr C was unhappy with the view. He said he had waited two years for PayPal to provide statements or a way to make payments. He thought we had been unfair and sided with PayPal.

As there was no agreement the matter has come to me to decide.

## **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'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here.

I'll concentrate my comments on what I think is relevant. My findings will focus on what I consider to be the central issues. If I don't mention any specific point, it's not because I failed

to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is the fair and correct outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. I do stress however that I've considered everything that Mr C and PayPal have said before reaching my decision.

Mr C has disagreed with the conclusions reached by the investigator – he says we are being unfair and have sided with the business. The Financial Ombudsman service was set up by act of parliament as an informal and free alternative to courts. We are a dispute resolution service, and our remit is to decide cases on a fair and reasonable basis taking account of the law and regulations, codes and good practice.

Whilst I do recognise his concern, as an ombudsman service our approach is to consider what both parties say and then reach our own independent conclusions on that evidence. This is how the investigator proceeded and this is how I intend to proceed in reaching my decision. I appreciate that it is in the nature of our service and of dispute resolution that one party will be disappointed with the outcome that is reached. However, this doesn't mean that the process is flawed, or the service is biased, as I have explained we are an evidence led service and we look at the information both parties provide before reaching a fair and reasonable outcome.

#### *Account block*

Mr C has complained that PayPal have blocked his account because the account was in negative balance. Mr C is particularly concerned that in blocking his account PayPal aren't allowing him to access information about the account-like statements and he is unable to make regular payments to clear the balance, which he was doing before.

PayPal have said Mr C is able to pay towards clearing the balance in his account by contacting them and making manual payments. Mr C is unhappy with this process.

I have firstly considered if PayPal have acted reasonably in blocking Mr C's account. I've looked at the terms and conditions and I can see they provide for PayPal to block accounts in certain circumstances including where an account is in a negative balance. So, I'm satisfied that PayPal haven't acted unreasonably in blocking the account.

I can see that PayPal have provided a process for Mr C to pay off his balance and make payments by contacting them and arranging for manual payments to be made. I appreciate that this is a much less convenient way of making payments and Mr C would like to be able to automate his payments as he was doing before. I don't think PayPal are acting unfairly in requesting Mr C follow a specific process; and I can see the reason why PayPal are requesting a manual process be followed is because of the block on the account, which I have already said I think is fair. So, although I recognise its inconvenient for Mr C I don't think PayPal are acting unfairly in requiring Mr C to make manual payments in these circumstances.

Mr C has said he isn't able to access payments easily as he hasn't got access to his account now it's been blocked. I appreciate this is also inconvenient for Mr C, but I can see PayPal have provided Mr C with a process for him to access his statements, so I don't think they have acted unfairly here.

Mr C is unhappy with the increase in interest rate that PayPal have introduced. He says this makes it difficult for him to keep up with his payments. A change in interest rate is a commercial decision that a financial institution makes which isn't something that the

ombudsman service can comment on. Having said that, if Mr C is suggesting that he can't now afford to pay off his credit balance he should contact PayPal and let them know. PayPal will then take steps like asking Mr C to go through an income and expenditure form. PayPal should consider Mr C's ability to afford the payments with him and treat him fairly by looking at ways of helping Mr C afford his payments.

In summary I appreciate that Mr C will be unhappy with my decision but having looked at the evidence I can't say that PayPal have acted unfairly when they blocked his account. I think they have provided Mr C with a process for paying off his debt and getting his statements. Overall, I don't think they have acted unfairly, and I won't be asking them to do anything else.

### **My final decision**

For the reasons stated above I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 7 November 2023.

Esperanza Fuentes  
**Ombudsman**