

The complaint

Mr C complains PayPal (Europe) Sarl et Cie SCA, "Paypal", refuses to refund him for transactions on his account he says he didn't authorise.

What happened

Mr C says several transactions which took place on 8 and 9 September 2023 via his Paypal account were not authorised by him. He says he thinks a fraudster was able to access his phone via a 'Team Viewer' app and make the transactions without his consent. These transactions were to a gambling website which Mr C says he has never, and would never use. So, he would like Paypal to refund him this money, totalling £944.50. Mr C has also asked for compensation for the distress and inconvenience this has caused him.

Paypal says it thinks these transactions were authorised by Mr C, so it won't be refunding them. It says the transactions were funded by incoming deposits from Mr C's bank account and Mr C has also not disputed the winnings which were received into his account from this gambling site on the 9 September 2023. Paypal says this type of activity is not unusual for Mr C's account, and it has no evidence that someone else could've been responsible for them.

Our investigator considered the evidence and decided not to uphold it. Mr C wasn't happy with this, so the complaint has been passed to me to consider.

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.

Firstly, I would like to say that I am sorry to learn of Mr C's current medical difficulties and the financial struggles he is facing. I would like to reassure Mr C that although I've only given an overview of what happened, I've read and considered everything we've been provided in its entirety to reach a fair outcome.

Generally speaking, Paypal is required to refund any unauthorised payments made from Mr C's account. Those rules are set out in the Payment Service Regulations 2017. Mr C has said he didn't carry out the transactions in dispute. So, I have to give my view on whether I think Mr C did authorise the transactions or not.

Paypal have provided evidence of Mr C's account activity for before, after and during the times of the disputed transactions. This shows that prior to almost each disputed transaction, money was transferred into his Paypal account from another bank account. So, each disputed transaction was funded, and Mr C hasn't disputed these incoming payments. Mr C has also not disputed the incoming payment from this gambling website, which is likely to be some winnings from gambling. Mr C says he has never and would never use this gambling website, but I have seen gambling activity on Mr C's account. The evidence provided shows that Mr C's account was used for another gambling website minutes after these transactions finished, but Mr C hasn't disputed these. And while this doesn't necessarily mean Mr C is

responsible for these transactions; it certainly shows this is not unusual activity for Mr C. So when considering this point, as well as all the other evidence together, it seems likely Mr C was responsible for these transactions.

I've also seen that Mr C's Paypal account was accessed via biometrics during the time of the disputed transactions. Mr C says his friend showed him that he had an app on his phone which is usually used by fraudsters to override someone's biometrics and access their accounts. So, says this must have been used to make the transactions he disputes. I have considered what Mr C said about this and I am aware that such apps do exist. However, Mr C hasn't provided any evidence that this app ever existed on his phone and his testimony hasn't included anything else that makes it likely this was present. For example, he hasn't provided any explanation as to how this app could've been added to his phone, or told us about any suspicious phone calls, texts, or emails. And without any evidence to corroborate what he has said I am not persuaded that a fraudster was able to access his device in this way. So, I think the evidence provided of the face ID being used to access Mr C's Paypal app was in fact Mr C's. It follows then that I think Mr C was responsible for these transactions.

Mr C is unhappy that Paypal has refused to raise a chargeback for these transactions, and he has provided evidence from the gambling site to show that they will refund the payments if a chargeback is received. However, I've considered all the evidence supplied and I don't think Paypal have acted unreasonably by refusing to raise a chargeback here.

I appreciate this decision will be very upsetting for Mr C. I understand he's currently in financial difficulty and has some ongoing medical concerns. So, I do have sympathy for his situation. However, considering all the evidence presented I am not persuaded these transactions were unauthorised, so I am not upholding this complaint.

My final decision

For all the reasons outlined above, I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 10 September 2024.

Sienna Mahboobani
Ombudsman