

The complaint

Mr F complains about payment issues he has had with his credit account with PayPal (Europe) Sarl et Cie SCA ("PayPal").

What happened

Mr F says the payments he was making to his credit account were showing as paid and then PayPal attempted to take the payment weeks later, when the funds were no longer in his bank account. This is something he said happened several times.

Mr F also said PayPal

- charged him late payment fees.
- put adverse information on his credit record.
- inflated the amount of the repayments.
- didn't supply all chat messages when he raised a DSAR request.
- didn't make him aware of the minimum payment on his account each month.

Mr F also has a linked complaint with our service in relation to a limitation PayPal put on his account while they checked his selling activity. Mr F says this has had a knock-on impact to his credit account, as these were the funds, he intended to use to make the repayment. So, Mr F logged a complaint with PayPal.

PayPal looked into this complaint but didn't uphold it. PayPal said Mr F had a late payment in November 2022, December 2022 and February 2023.

PayPal said the first missed repayment of £48.51 was applied to his credit account in good faith on 26 October 2022, but when it came to collect the funds from his bank account on 02 November 22, the money was no longer available. It says it then sent Mr F several emails to tell him the payment had been missed and needed making again.

PayPal said the same thing happened in December 2022 and it again notified Mr F of the need to make the payment after it failed to collect the funds. Overall, it didn't think it had done anything wrong by treating the payments as missed. So, Mr F brought his complaint to our service.

Our investigator looked into the complaint but didn't think it should be upheld.

Our investigator found PayPal's payment guidance advises that the payment date is recorded as the date the payment is initiated, however the funds can take 1-5 working days to debit from the bank account and clear. Our investigator went on to say that she had listened to a phone call between Mr F and a PayPal advisor in June 2022 where he was advised that payments can take up to five working days to clear.

So, our investigator didn't think PayPal had acted unfairly or against the terms of the account when it reported late payments and charged a fee.

Mr F mentioned that he wasn't aware of the minimum payments on his account, but our investigator found that PayPal had been sending monthly statements to notify him of the amount he needed to pay.

Our investigator found that Mr F stopped making payments to his account in January, February, March and April 2023 as a protest until PayPal dealt with his concerns. Our investigator found this was a choice Mr F decided to make and she couldn't hold PayPal responsible for this.

Our investigator looked into Mr F's concerns about the DSAR not being received but found Mr F had deleted it - as he thought it was a suspicious email. So, she again didn't think it should be something PayPal were held responsible for.

Lastly Mr F asked PayPal to supply transcripts of all the chat messages he had with their advisors. Mr F then complained that he thinks some messages weren't included in the request, as he had more notifications in his inbox than the number of messages, they sent him as part of the request. Our investigator looked into his point but couldn't find any evidence of the messages being left out of the request or hidden from our service.

Mr F didn't agree with the investigator's view. So, the complaint's been passed to me for a final decision.

I issued a provisional decision on 14 February 2024. In it I said.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

When investigating the November 2022 payment, I can see PayPal did attempt to take the payment on the 5th working day after the payment was made. At this point I can see from the statement and from Mr F's testimony that the funds were no longer there, as he had used the funds in the account by 28 October 2022. So, I'm satisfied PayPal acted in line with its credit agreement and the information it had told Mr F on the phone call in June 2022. And it follows that I don't find PayPal at fault for then registering a late payment marker and fee when the money wasn't received.

PayPal have also told our service that the minimum payment for December's statement was £108.89, but Mr F only paid £30 on the 23rd of November. As this was below the minimum amount, a late payment charge was added to December's minimum payment. It appears from Mr F's testimony that at this point he was choosing what to pay rather than what the statements were telling him. Mr F says this was because PayPal hadn't communicated the correct payment figures. This can be evidenced by Mr F's comments below.

I've continued to pay them sporadically as to show that I do have the intention of paying back what I owe, however as the amounts they are asking for are incorrect and the charges applied are incorrect, the correct repayment figure has not been shown to me.

Mr F in his own words has told our service that he refused to pay the amount PayPal requested as a repayment in December. So, this is why he again was charged a late fee and had a marker put on his account. Mr F says he disagreed with the amount as it was inflated due to November's missed payment. But, as I've not found PayPal were at fault by applying November's late fee, I'm satisfied December's amount was correct and needed to be paid to

avoid any adverse impact. Mr F has also said he didn't have enough money due to the limitation PayPal had placed on his selling account. This will be addressed in Mr F's other complaint with our service.

Mr F has told our service that the issue with inflated payments started in the middle of 2022. I've reviewed statements from May 2022 onwards and the late payment fees that have been charged look to have been applied correctly when payments were made late. So, any balance Mr F has had and that generated a minimum payment for October looks to be correct.

PayPal's terms say

We may charge the following:

- A. £12 if the minimum monthly payment does not reach us by the Payment Due Date; and £12 each time a direct debit or other payment request is not paid when first presented or is recalled. Please note that if a direct debit or other payment request fails then it may be re-presented for payment within 15 calendar days.

Mr F has mentioned conflicting information PayPal gave him when he was told the payments could be taken at any point between five and ten days. I understand the point Mr F is raising here, but when the November payment failed, the funds were not available two days after he made the payment. So, the discrepancy in timescales he was given wouldn't have made any difference to his circumstances.

Mr F has also told our service that he had a phone call with a PayPal advisor that told him it takes up to five working days for a payment to be taken from his bank account. So, Mr F was aware of the timescales involved but didn't leave the money in the account for long enough. I've listened to the call and the advisor mentions seven working days, so although this is conflicting information, if Mr F had followed that advice, he would've made sure the funds were taken when requested. So, I'm not convinced the incorrect information did in fact cause him any detriment or lead to the action taken on his credit account. The adviser also advised to link a debit card as the payment would be taken instantly and that Mr F should monitor his account. I can't see any evidence of Mr F doing either of these.

In relation to the DSAR request that Mr F says he didn't receive, I agree with the investigator when she said she couldn't hold the business responsible for Mr F deleting it. I understand if Mr F did have concerns over the content and about opening it, but I can't see any evidence of Mr F contacting PayPal to check it was sent by them and if it was ok to open. So, Mr F made the choice to delete the email and I'm satisfied that's not the fault of PayPal.

Mr F has mentioned several times how poor PayPal complaint handling was, and on this point, I agree with him. I can see PayPal sent at least nine responses to his complaint and of those at least four were final response letters. Having reviewed all of this communication, I haven't found that PayPal have addressed Mr F's complaint properly once. Most of the communication is either a generic response with referral rights to our service or advising Mr F his complaint has been resolved - when it's clear from the chat messages it's not. Overall, when reviewing the complaint journey Mr F had with PayPal, I'm satisfied he did receive poor customer service several times.

Because of the poor service Mr F received when PayPal were dealing with his complaint, it meant Mr F having to go back on the chat function to speak to a PayPal advisor again to tell them his complaint hasn't been resolved. In these circumstances I'm satisfied Mr F should be compensation £200 for the inconvenience this caused and any conflicting information he was given.

Lastly Mr F has mentioned 47 emails he received that he thinks are missing from the information PayPal supplied our service. Mr F thinks this information should match.

The screen shots Mr F has sent our service are notifications that he's received an email. I'm unsure of what should be contained within that email as Mr F hasn't sent the contents. PayPal have also told our service they have sent everything they have on file relating to Mr F's account. Having said that, I haven't found I've needed to know or that there was information missing that I've needed to come to the outcome of this complaint. In these circumstances, had there been, I would've reached out to both parties to ask for it.

PayPal didn't respond.

Mr F said

- He did not know the correct minimum amounts as they had incorrectly inflated the amounts.
- The DSAR email wasn't deleted and when Mr F opened it at a later date, it was not the messages but statements.
- PayPal hasn't provided all the messages they should have.
- PayPal should've placed a hold on the payment it made from his account.
- The customer service PayPal have provided is far worse than it has evidenced.

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 and having considered the further submissions Mr F has made, I'm satisfied that I've addressed all of the points Mr F has raised previously, and they don't change the outcome I arrived at in my provisional decision.

I understand Mr F is unhappy that he thinks PayPal haven't supplied all the messages it should have on its internal system. Our service has asked PayPal to send us everything it has a record of, and it says it has done so. In these circumstances, there's nothing more that can be done here, but it doesn't mean all Mr F's complaint points should be upheld.

I've considered what I think could have been contained within those messages and I don't think there is a need to consider the contents further. I've awarded what I think is a fair amount of compensation for the lack of service based on the information I've seen from both parties. It's worth reminding Mr F that our service is designed to be a quick and informal service and an alternative to the courts. So, on occasions there will be a limit to how far we can reasonably take our investigation and, in the circumstances, I've come to what I've found to be a fair and reasonable outcome for all parties involved.

Mr F has said that the message containing the DSAR wasn't deleted but instead he didn't open it. I'm happy to correct that part of my decision but find the outcome of this point remains the same. Mr F has only recently opened the link and seen what was contained within the message. Although he says information is missing, our service has sent Mr F everything PayPal holds around the same time. So, I'm satisfied Mr F hasn't been impacted by anything that he thinks may have been missing.

Putting things right

I instruct PayPal (Europe) Sarl et Cie SCA to pay Mr F £200 compensation.

My final decision

My final decision is that I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 12 April 2024.

Tom Wagstaff
Ombudsman