

The complaint

Mr S complains PayPal UK Ltd overcharged him for a payment.

What happened

Mr S made a purchase via PayPal using a card at an overseas bank. When Mr S checked his overseas bank statement, he'd been charged roughly ten times the amount.

Mr S complained to PayPal and it said it had answered his questions, but didn't agree to refund the payment. Mr S brought his complaint to this service.

An investigator looked into things but didn't think Mr S' complaint should be upheld. The investigator thought PayPal had provided enough proof to show it had processed the smaller, correct payment.

Mr S said PayPal didn't understand the complaint and had a dismissive attitude. Mr S said this was a serious overcharge, not a small amount of money, and asked for an ombudsman to decide things.

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.

My role is to determine if PayPal has made an error.

And where evidence is contradictory or incomplete, I can decide things on the balance of probabilities, what's more likely to have happened.

I've seen Mr S' statements from the overseas bank, I don't think there's any dispute Mr S was charged a lot more than he should have been.

I've looked at what PayPal's sent this service, and I'm persuaded PayPal processed Mr S' payment for the correct, lower amount. PayPal's sent in transactions screens for the payment, and I can see the lower amount of overseas currency was requested.

PayPal's also sent in an excerpt of the retailer's account, showing the smaller, correct amount paid to them. I think if PayPal had requested more money from Mr S' overseas bank it would be recorded on its systems and the retailer would have received more.

When Mr S approached PayPal about this payment it said it had processed it correctly. But PayPal also recommended Mr S raise a chargeback with his overseas bank. I don't think PayPal was dismissive of Mr S' concerns.

I can see Mr S' overseas bank raised a chargeback. PayPal says it didn't defend this chargeback, allowing it to succeed in full. Mr S received a refund of the smaller payment.

Chargebacks are processed the relevant card schemes, and this chargeback was initiated by Mr S' bank. I think, had PayPal processed a larger payment than Mr S agreed to, he'd have been refunded this amount via the chargeback.

This is because the chargeback looks at the transaction itself, not what PayPal or Mr S' overseas bank credited or debited. And, having disputed the transaction via chargeback, Mr S was refunded the smaller payment.

I think this is persuasive evidence the transaction was processed, by PayPal, for the smaller amount. But this doesn't change the fact Mr S was charged a much higher amount by his bank overseas.

Unfortunately, I can't compel Mr S' overseas bank to provide relevant submissions in the same way as this service can compel UK regulated businesses. So, I have to make a decision on balance, only looking at what PayPal's sent this service.

Having done this, I don't think PayPal's made an error in processing Mr S' payment. The evidence PayPal's provided this service, along with the outcome of an independent chargeback, persuades me PayPal only processed the smaller payment.

I realise this isn't a very satisfactory outcome for Mr S, he's been charged a lot more for a payment he made. And I accept this caused some financial difficulties and inconvenience for Mr S, and he's right, this is not a small overpayment.

But I can't hold PayPal responsible for the loss, or the inconvenience if I don't think it made a mistake. So, I won't be asking PayPal to do anymore to resolve Mr S' complaint.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 29 July 2024.

Chris Russ
Ombudsman