

29th November 2022

Rt Hon Dame Maria Miller & Virendra Sharma MP
Chairs
Financial Services and Markets Public Bill Committee
Palace of Westminster
SW1A 0AA

Dear Dame Maria Miller and Mr Sharma,

I wanted to write to you to express PayPal's appreciation of the issues raised in Parliament about how payment service providers must take care to fully uphold freedom of speech in the enforcement of their terms and conditions. This follows the proposed amendment by Sally-Ann Hart MP to the Financial Services and Markets Bill, and a recent meeting between PayPal and Andrew Griffith MP, Economic Secretary to the Treasury.

PayPal is dedicated to providing safe and affordable financial services to people of all backgrounds with a diversity of views, and we are a strong supporter of freedom of expression and open dialogue and as such do not seek to be an arbiter of free speech.

As background, I would share that PayPal has maintained a long-standing User Agreement (UA) and Acceptable Use Policy (AUP), which provide a framework designed to protect our customers and the integrity of our platform. As a payments company, it is essential that we endeavour to ensure the safety, security, and privacy of our customers and to comply with legal requirements. Our AUP serves to protect customers and our platform against illicit and harmful activity including counterfeiting and fraud.

PayPal may take action to protect our customers and platform in accordance with regulatory requirements placed upon PayPal as a business, and in line with our Acceptable Use Policy and User Agreement. Political views are not one of the criteria for taking such action.

PayPal cannot comment in detail on specific cases due to our obligations under UK privacy rules. However, in regard to the particular cases that have been raised in Parliament and the media, PayPal took an initial decision to close the accounts in question for breaches of our Acceptable Use Policy and User Agreement. I would stress that none of these evaluations or actions were based on customers' political views. As in all cases, the account holders had access to withdraw

any remaining funds from their PayPal accounts and had the right to appeal the closure. PayPal has a robust appeal process and following appeals in some of the cases discussed in the media and in Parliament, we re-evaluated the issues in question and swiftly decided to re-open some of the accounts.

We apologise for the inconvenience to our customers and for any confusion that our recent actions caused about our dedication to protecting freedom of expression. We continuously evaluate our processes and approach to issues to improve the experience and safety of our customers when using PayPal, as well as our commitments to governments, regulators and the global community. We continue to reflect on lessons learned and we are actively evaluating what changes to our terms and conditions and to our processes might be helpful in providing greater clarity to our customers.

I would like to note that PayPal has engaged fully with the Financial Conduct Authority with respect to this process. Furthermore, we are in lockstep agreement with the Economic Secretary on the importance of these matters as raised in debates by your parliamentary colleagues, and PayPal will continue to actively participate in policy discussions.

Throughout our 18 years of operation in the UK, we have always focused on meeting our regulatory obligations, while also continuously working to protect our customers and to ensure seamless, positive payment experiences when using PayPal.

To that end, we note the upcoming Payment Services Regulations Review and welcome a full consultation, which would allow for careful consideration of the implications of any new regulation in this area on service providers and the users of those services, regulators and the wider public, as well as providing the opportunity for a full range of industry stakeholders to offer their views.

We look forward to contributing to such a consultation on these important matters.

Yours sincerely,



Sean Byrne
CEO of PayPal Europe