

Your response

Please refer to the sub-questions or prompts in the [annex](#) to our call for evidence.

Question	Your response
<p>Question 1: Please provide a description introducing your organisation, service or interest in Online Safety.</p>	<p><i>Is this response confidential? N</i></p> <p>As Ofcom may be aware, PayPal is a global payments provider and financial services business. We've been at the forefront of the digital revolution for more than 20 years and we now serve over 32 million active accounts in the UK, supporting consumers SMEs and large enterprises.</p> <p>PayPal's main business is the issuance of electronic money and the provision of payment services using that electronic money. Customers are able to use our services to make online and in-store payments, donations, and send, request and receive electronic money.</p> <p>However, to support some of our functionalities, there are small elements of user-generated content on a very limited number of our services. For example, the ability to send a reference note e.g., "for dinner last night" along with a payment between users, and individuals who use PayPal to raise funds through PayPal Fundraisers with information about themselves and their cause.</p> <p>PayPal is a responsible market participant and prides itself in serving as a reliable partner to not only consumers, merchants and business partners, but also to policymakers, regulators and law enforcement agencies. Our compliance culture permeates throughout the organization and is a foundational element of every endeavour.</p>

Question 2: Can you provide any evidence relating to the presence or quantity of illegal content on user-to-user and search services?

IMPORTANT: Under this question, we are not seeking links to or copies/screenshots of content that is illegal to hold, such as child sexual abuse. Deliberately viewing such images may be a criminal offence and will be reported to the police.

Is this response confidential? – Y / N (delete as appropriate)

Question 3: How do you currently assess the risk of harm to individuals in the UK from illegal content presented by your service?

Is this response confidential? - N

PayPal's [User Agreement](#) ("UA") and [Acceptable Use Policy](#) ("AUP") outline the activities that PayPal prohibits, including a ban on users using PayPal's service for activities that violate any law, statute, ordinance or regulation, as well as transactions involving the promotion of hate, violence, racial or other forms of intolerance that is discriminatory.

The AUP also encourages users to report violations of the AUP immediately, providing a link for users to do so, as well as a link to PayPal's 'Contact Us' page and FAQs if a user has a question about whether a type of transaction may violate the AUP.

In addition to taking actions on content that violates our policies from customer (and non-customer) reports, PayPal proactively scans its platforms and various products for material that violates our AUP through various AI / machine learning and keyword-based detection tools, and removes non-compliant and illegal content as they are identified from those scans.

Question 4: What are your governance, accountability and decision-making structures for user and platform safety?

Is this response confidential? – N

PayPal takes an in-depth and multi-pronged approach to governance by including multiple teams from across the business in policy and decision-making.

Our policy team formulates new policies after analysing existing risks from content, existing regulations, laws, and guidelines from various regions and incorporating feedback and

	<p>challenge from subject matter experts and thought leaders in internal decision-making fora.</p> <p>Our procedures are created to enforce these policies consistently across all regions in which PayPal operates. Standard Operating Procedures are also created to investigate each violation in accordance with the procedure and policies.</p> <p>If during an investigation, the investigators require further guidance on any specific instance, the policy team is involved to help with the decision making. If there are large scale issues identified, the policy team also seeks feedback from a steering committee consisting of senior risk and business leaders.</p> <p>Furthermore, any new area identified as a potential risk is considered during new policy creation process.</p> <p>The complaints procedure outlined in our User Agreement ensures that we remain accountable to our customers. We are also accountable to our regulators: the Financial Conduct Authority in the UK and the Commission de Surveillance du Secteur Financier, our home state regulator in Luxembourg.</p>
<p>Question 5: What can providers of online services do to enhance the clarity and accessibility of terms of service and public policy statements?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p>
<p>Question 6: How do your terms of service or public policy statements treat illegal content? How are these terms of service maintained and how much resource is dedicated to this?</p>	<p><i>Is this response confidential? – N</i></p> <p>PayPal’s User Agreement and Acceptable Use Policy (AUP) outline a number of prohibited activities in relation to illegal content, for example:</p> <ul style="list-style-type: none"> • Activities which violate any law, statute, ordinance or regulation.

- Activities which relate to transactions involving the promotion of hate, violence, racial or other forms of intolerance that is discriminatory, items that are considered obscene, and / or certain sexually oriented materials or services.
- Activities which relate to transactions that show the personal information of third parties in violation of applicable law, support pyramid or Ponzi schemes, matrix programs, other "get rich quick" schemes or certain multi-level marketing programs, are associated with purchases of annuities or lottery contracts, lay-away systems, off-shore banking or transactions to finance or refinance debts funded by a credit card, or involve offering or receiving payments for the purpose of bribery or corruption.
- Activities which involve the sales of products or services identified by government agencies to have a high likelihood of being fraudulent.
- Activities which relate to transactions involving any activity that requires approval without having obtained said approval.

There is also a table of 18 activities in our AUP requiring pre-approval by PayPal, including, for example, mature audience content, online dating, alcohol, tobacco, and medical items or services.

Under the PayPal User Agreement and the [PayPal Privacy Statement](#), PayPal is entitled to take a number of actions to protect PayPal, its customers and others at any time in the event that a user engages in any restricted activities, including where a user breaches PayPal's Acceptable Use Policy or violates any law, statute, ordinance, or regulation. These actions include, for example:

- Terminating, limiting or suspending the user's PayPal account.

	<ul style="list-style-type: none"> • Refusing to provide PayPal services to the user in future. • Suspending, limiting, blocking or terminating the user’s access to PayPal websites, software and systems (including any networks and servers used to provide any of the PayPal services) operated by PayPal or on our behalf. • Refusing any particular payment transaction at any time for any reason. • Deleting or removing content that PayPal deems (in its sole discretion) to breach any law, statute, ordinance, and/or regulation. <p>PayPal’s User Agreement and AUP are updated on an as-needed basis in line with both internal PayPal policy changes and external requirements placed on the business by regulatory entities.</p> <p>(Below response was kept confidential)</p>
<p>Question 7: What can providers of online services do to enhance the transparency, accessibility, ease of use and users’ awareness of their reporting and complaints mechanisms?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p>
<p>Question 8: If your service has <i>reporting or flagging</i> mechanisms in place for illegal content, or users who post illegal content, how are these processes designed and maintained?</p>	<p><i>Is this response confidential? – N</i></p> <p>PayPal has grouped its response to questions 8, 9 and 10.</p> <p>PayPal’s responses to questions 8, 9 and 10 have been grouped together. There are two ways for users to report content which does not meet the terms and conditions of our User Agreement or Acceptable Use Policy, or unlawful content, to PayPal: 1. By contacting our customer service team via chat, phone, or email, and 2. submitting an AUP violation webform.</p> <p>We encourage both our customers and non-PayPal users to report any content or activity they observe that violates our AUP. The AUP webform experience allows the user to select impacted products and provides a list of</p>

	<p>violation categories to choose from while reporting to PayPal.</p> <p>All reports relating to content on PayPal’s platform and PayPal’s AUP breach submitted through these channels are routed to the compliance investigations team which reviews each case and takes appropriate actions in line with our internal policies and procedures, escalating to our executive risk or management committees where appropriate.</p> <p>Once action has been taken against content or user account (based on the severity of the breach), both the user who reported the activity and the user in breach of the AUP are notified of the action(s) taken by PayPal, where possible as a matter of law.</p> <p>If there are instances which are unclear, novel and/or precedent-setting and they require further consideration to decide the appropriate action, we work with our policy team to address them.</p> <p>If a customer is not satisfied with a decision taken by PayPal, they can raise a complaint orally or in writing through our chat, voice or written communication functions via our resolution centre, accessed via the complaints webpage. We work with the customer to resolve any complaints quickly and satisfactorily whilst adhering to any policy requirements. Complex cases are sent on internally to specialist teams for detailed investigations, before providing customers with a written response to their complaint.</p>
<p>Question 9: If your service has a <i>complaints</i> mechanism in place, how are these processes designed and maintained?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p> <p>See response to Question 8.</p>
<p>Question 10: What action does your service take in response to <i>reports</i> or <i>complaints</i>?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p> <p>See response to Question 8.</p>

<p>Question 11: Could improvements be made to content moderation to deliver greater protection for users, without unduly restricting user activity? If so, what?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p>
<p>Question 12: What automated moderation systems do you have in place around illegal content?</p>	<p><i>Is this response confidential? – N</i></p> <p>PayPal has grouped its responses to questions 12 and 13.</p> <p>PayPal employs automated detection techniques to identify illegal content or content which violates our AUP and UA (non-compliant content). These techniques consist of both AI / machine-learning based rules targeting images, text etc. and keyword-based rules for texts. The AI / machine-learning rules are trained using examples from non-compliant content found within PayPal platforms.</p> <p>PayPal also uses third party detection tools such as Microsoft Photo DNA which identifies child sexual abuse material content (CSAM) through image hashing.</p> <p>These rules are targeted to the content types (images/text) based on various non-compliant categories (such as weapons or drugs).</p> <p>While the detection is automated, enforcement currently requires manual review by the compliance investigations team. We also use feedback from customers to actively improve our automated detection systems.</p>
<p>Question 13: How do you use human moderators to identify and assess illegal content?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p> <p>See response to question 12.</p>

<p>Question 14: How are sanctions or restrictions around access (including to both the service and to particular content) applied by providers of online services?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p>
<p>Question 15: In what instances is illegal content removed from your service?</p>	<p><i>Is this response confidential? – N</i></p> <p>Under our User Agreement, illegal content is removed from our services if we judge, in our sole discretion, that it violates any law, statute, ordinance or regulation.</p> <p>We also proactively work with law enforcement agencies to notify them of any egregious violations of our Acceptable Use Policy.</p>
<p>Question 16: Do you use other tools to reduce the visibility and impact of illegal content?</p>	<p><i>Is this response confidential? – N</i></p> <p>PayPal’s products and services are not inherently designed to primarily involve content from users, or if they are, user-generated content is very limited. For example, as referenced in an earlier answer, the content e.g., “for dinner last night” attached to a payment between two users is clearly limited in the sense of the content (small amount of text, rather than a photo, video etc.,) and the receipts (only one user).</p> <p>Therefore, we do not use tools or algorithms to limit live content from users as, unlike social media platforms, we do not typically have content displayed to engage our users. However, we do have some processes in place where users or merchants will need to seek our prior approval to post certain content, services and other activities. For example, as referenced in our AUP and set out above, this includes:</p> <ul style="list-style-type: none"> • Mature adult content • Alcohol and tobacco services • Medical items and services <p>In addition to that, PayPal also has a due diligence process that is carried out periodically in relation to users to help ensure that their activity is consistent with their line of business and does not present any concerning</p>

	<p>patterns. Additionally, all users have the ability to report any content they see on our platform.</p>
<p>Question 17: What other sanctions or disincentives do you employ against users who post illegal content?</p>	<p><i>Is this response confidential? – N</i></p> <p>As we have outlined earlier in the document, based on the services that PayPal offers, there are only limited circumstances in which our customers are able to post content using our services. If we believe that a user has engaged in any restricted activities, including with respect to the posting of illegal content, we may take a number of actions to protect PayPal, its customers and others at any time in our sole discretion. The actions we may take include, but are not limited to, the following:</p> <ul style="list-style-type: none"> • Terminating, limiting or suspending the user’s PayPal account. • Refusing to provide PayPal services to the user in future. • Suspending, limiting, blocking or terminating the user’s access to PayPal websites, software and systems (including any networks and servers used to provide any of the PayPal services) operated by PayPal or on our behalf. • Refusing any particular payment transaction at any time for any reason. • Deleting or removing content that PayPal deems (in its sole discretion) to breach any law, statute, ordinance, and/or regulation. • Reporting a user posting unacceptable content or using PayPal services for illegal purposes to law enforcement agencies, where appropriate.
<p>Question 18: Are there any functionalities or design features which evidence suggests can effectively prevent harm, and could or should be deployed more widely by industry?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p>

Question 19: To what extent does your service encompass functionalities or features designed to mitigate the risk or impact of harm from illegal content?

Is this response confidential? – N

PayPal has grouped its response to questions 19 and 20.

PayPal employs automated detection techniques to identify non-compliant content. These techniques consist of both AI/machine-learning based rules targeting images, text, video etc. and keyword-based rules for texts. The AI/machine-learning rules are trained using examples from non-compliant content found within PayPal platforms.

PayPal also uses third party detection tools such as Microsoft Photo DNA which identifies child sexual abuse material (CSAM) content through image hashing. These rules are targeted to the content types (images/text) based on various non-compliant categories (such as hate speech).

We encourage users or non-PayPal users to report any content or activity they observe that violates our AUP through these channels. The AUP webform experience allows a user to select impacted products and provides a list of violation categories to choose from while reporting to PayPal.

All reports relating to content on PayPal platform and PayPal's AUP breach submitted through these channels are routed to the compliance investigations team, which reviews each case and takes appropriate actions following the policy.

Furthermore, as noted earlier in the document, we also have some processes in place where users or merchants will need to seek our prior approval to post certain content, services and other activities, as set out in our AUP. This may include mature audience content, online dating, alcohol, tobacco, and medical items or services.

In addition to that, we also have a due diligence process that is carried out periodically on select users if we see any flags from their transactions. In parallel to this, all users have

	<p>the ability to report any content they see on our platform.</p> <p>With regard to user safety and wellbeing, PayPal ensures user safety by providing simple and efficient ways to report any inappropriate content. Specifically:</p> <ul style="list-style-type: none"> • PayPal allows users to employ certain user level controls such as blocking of another user based on product. • PayPal takes appropriate steps to proactively identify illegal and non-compliant content and bad actors and removes them from the platform. • PayPal participates in industry bodies and collaborates with other companies to fight matters like CSAM, hate speech etc.
<p>Question 20: How do you support the safety and wellbeing of your users as regards illegal content?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p> <p>See response to question 19.</p>
<p>Question 21: How do you mitigate any risks posed by the design of algorithms that support the function of your service (e.g. search engines, or social and content recommender systems), with reference to illegal content specifically?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p>
<p>Question 22: What age assurance and age verification technologies are available to platforms, and what is the impact and cost of using them?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p>
<p>Question 23: Can you identify factors which might indicate that a service is likely to attract child users?</p>	<p><i>Is this response confidential? – Y / N (delete as appropriate)</i></p>

Question 24: Does your service use any age assurance or age verification tools or related technologies to verify or estimate the age of users?

Is this response confidential? – N

PayPal's responses to questions 24, 25 and 26 have been grouped together.

Customers in the UK are required to be at least 18 years old to open a PayPal account and use PayPal services. In line with acceptance of our User Agreement, new customers are asked to declare their age when they open a new account.

We generally continue to verify a customer's information once the account is open, according to relevant risk factors, and payments being received and sent. We may request more information when a customer reaches a set limit or based on activity on their account. We would then ask a customer to provide more information about themselves (which may include, for example, a copy of ID) before they reach any limit that will restrict how they use their PayPal account.

Question 25: If it is not possible for children to access your service, or a part of it, how do you ensure this?

Is this response confidential? – Y / N (delete as appropriate)

See response to question 24.

Question 26: What information do you have about the age of your users?

Is this response confidential? – Y / N (delete as appropriate)

See response to question 24.

Question 27: For purposes of transparency, what type of information is useful/not useful? Why?

Is this response confidential? – Y / N (delete as appropriate)

Question 28: Other than those in this document, are you aware of other measures available for mitigating risk and harm from illegal content?

Is this response confidential? – Y / N (delete as appropriate)