



Office of the Chairman

UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

March 26, 2026

Via Federal Express and Electronic Mail

Enrique Lores
President & Chief Executive Officer
PayPal Holdings, Inc.
2211 North 1st St.
San Jose, CA 95131
Elores@paypal.com

Re: Potential FTC Act Violations Related to Debanking American Consumers

Dear Mr. Lores:

The Federal Trade Commission (“FTC”) is the nation’s consumer protection agency, responsible for protecting American consumers from unfair or deceptive acts or practices. As part of its mission, the agency brings law-enforcement actions and educates businesses, industries, and market participants about compliance with the laws the FTC enforces. The FTC understands that PayPal Holdings, Inc. (“PayPal”) is a financial infrastructure platform that provides various payment-processing software and services worldwide, including in the United States. PayPal’s services include, among things, processing payments made through credit cards, debit cards, digital wallets, and Automated Clearing House (ACH) transfers. Access to such infrastructure and services is essential for Americans’ participation in everyday commerce, and—directly or indirectly—for the exercise of core rights and freedoms.

Section 5 of the FTC Act prohibits unfair or deceptive acts or practices.¹ A representation is deceptive under the FTC Act if it is material and would likely mislead consumers acting reasonably under the circumstances.² An act or practice is unfair if it causes or is likely to cause substantial injury to consumers that cannot reasonably be avoided, and that injury is not outweighed by countervailing benefits to consumers or competition.³ The FTC has a long history of bringing enforcement actions against payment infrastructure platforms and related entities for

¹ 15 U.S.C. § 45(a).

² See Fed. Trade Comm’n, Policy Statement on Deception (1983) (appended to *Cliffdale Assocs., Inc.*, 103 F.T.C. 110 (1984)). Among other requirements, the FTC Act requires that representations be truthful, non-misleading, and adequately substantiated. See *id.*; *FTC v. Direct Mktg. Concepts, Inc.*, 624 F.3d 1, 8 (1st Cir. 2010).

³ 15 U.S.C. § 45(n); see Fed. Trade Comm’n, Policy Statement on Unfairness (1980) (appended to *Int’l Harvester Co.*, 104 F.T.C. 949 (1984)).

unfair or deceptive practices, including misleading merchants about fees and contract terms⁴ and facilitating fraud on consumers.⁵

Companies that deplatform consumers or deny them access to financial products or services may violate the FTC Act if their actions are contrary to consumers' reasonable expectations or if their practices cause substantial injury not reasonably avoidable by consumers and not outweighed by countervailing benefits to consumers or competition. PayPal has instituted terms of service and policies covering its relationship with existing and prospective clients and consumers. These terms of service and policies address a wide range of topics including, among other things, merchant eligibility for services, information requirements, grounds and procedures for suspension or termination of accounts with PayPal, prohibited conduct and content, privacy and data security, and dispute resolution.⁶

In recent years, concerns have been raised about PayPal's potential treatment of its customers, in particular its efforts to deny them access to services due to their political or religious views, that raise serious questions about whether PayPal is acting in accordance with its terms of service.⁷ Such conduct inflicts obvious and immeasurable harm on consumers and there are no readily apparent countervailing benefits to consumers or competition from such censorious action. Consumers cannot reasonably avoid this harm, particularly where, as is almost always the case, the First Amendment-protected activity that triggered the adverse action against them had no logical connection to, or material bearing on, their commercial relationship with the payment processor. PayPal's market power and dominance—and parallel conduct by other firms—also suggest consumers are unable reasonably to avoid such conduct.

As an American citizen, I abhor and condemn any efforts to debank or otherwise deny law-abiding consumers access to financial services on the basis of their political or religious beliefs. The harms that stem from these actions are not abstract. Full participation in commerce and public life necessarily requires that law-abiding individuals can access, and freely participate in, our financial system. It is inconsistent with American values to deny law-abiding individuals the ability to run their legitimate businesses and feed their families because they attracted the ire of rogue American officials, overzealous activists, or, even more worryingly, foreign governments

⁴ See, e.g., *FTC v. Merch. Serv. Direct, LLC*, No. 2:13-cv-00279 (E.D. Wash. July 30, 2013); *FTC v. First Am. Payment Sys.*, No. 4:22-cv-00654 (E.D. Tex. July 29, 2022).

⁵ See, e.g., *FTC v. AlliedWallet, Inc.*, No. 2:19-cv-04355 (C.D. Cal. May 28, 2019); *FTC v. Apex Cap. Grp.*, No. 2:18-cv-09573 (C.D. Cal. May 30, 2019); *FTC v. Madera Merch. Servs., LLC*, No. 3:19-cv-00195 (W.D. Tex. July 19, 2019); *FTC v. First Data Merch. Servs. LLC*, No. 1:20-CV-03867 (S.D.N.Y. May 19, 2020); *FTC v. Qualpay, Inc.*, No. 6:20-cv-00945 (M.D. Fla. June 1, 2020); *FTC v. Complete Merch. Sols., LLC*, No. 2:20-cv-00864 (D. Utah Dec. 9, 2020); *FTC v. Auto. Funds Transfer Servs., Inc.*, No. 1:21-cv-02932 (D.D.C. Nov. 8, 2021); *United States v. Nexway Sasu*, No. 1:23-cv-00900 (D.D.C. Apr. 3, 2023); *In re Elec. Payment Sys.*, No. C-4764 (F.T.C. May 10, 2022); *FTC v. Paddle.com, Inc.*, No. 1:25-cv-01886 (D.D.C. June 16, 2025).

⁶ See *PayPal User Agreement*, PayPal (Aug. 12, 2025), <https://www.paypal.com/us/legalhub/paypal/useragreement-full>.

⁷ See, e.g., Rupa Subramanya, *What the Hell Happened to PayPal?*, THE FREE PRESS (Dec. 13, 2022), <https://www.thefp.com/p/what-the-hell-happened-to-paypal>; Camilla Turner, *The Proof That Lockdown Critics Were "Debanked" Because of Their Views*, THE TELEGRAPH (Jan. 18, 2025), <https://www.telegraph.co.uk/news/2025/01/18/proof-that-lockdown-critics-were-debanked-because-of-views/>.

seeking to control public discourse.⁸ That is why President Trump’s August 7, 2025, Executive Order on debanking makes clear that it is unacceptable to debank law-abiding citizens due to “political affiliations, religious beliefs, or lawful business activities.”⁹

As the Chairman of the FTC, I write to inform you of your obligations under the FTC Act. Any act or practice by PayPal to refuse, suspend, or withdraw any service to prospective or existing clients and consumers that is inconsistent with your terms of service or otherwise unfair may violate the FTC Act and could lead to an FTC investigation and potential enforcement action.

Please direct any inquiries concerning this letter to Levi Swank at lswank@ftc.gov.

Sincerely,

Andrew N. Ferguson
Chairman
Federal Trade Commission

⁸ See, e.g., Caleb Parke, *Conservatives Call For PayPal Boycott After CEO Says Southern Poverty Law Center Helps Ban Users*, FOX NEWS (Feb. 28, 2019), <https://www.foxnews.com/tech/conservatives-call-for-paypal-boycott-after-ceo-admits-splc-helps-ban-users?msocid=3e9e009b5d276ff81ef316de5cac6e2f>; Colin Wright, *How Trans Activist Trolls Got Me Deplatformed by PayPal and Etsy*, NEW YORK POST (Oct. 8, 2022), <https://nypost.com/2022/10/08/how-trans-activists-got-me-deplatformed-by-paypal-and-etsy/>; cf. Katherine Fung, *Banks Have Begun Freezing Accounts Linked to Trucker Protest*, NEWSWEEK (Feb. 18, 2022), <https://www.newsweek.com/banks-have-begun-freezing-accounts-linked-trucker-protest-1680649>. As I explained in a recent letter to your counterparts at various Internet companies, taking these actions against American consumers in response to the laws, demands, or expected demands of a foreign government may also violate the FTC Act. See Press Release, Fed. Trade Comm’n, FTC Chairman Andrew Ferguson Warns Companies Against Censoring or Weakening the Data Security of Americans at the Behest of Foreign Powers (Aug. 21, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/08/ftc-chairman-ferguson-warns-companies-against-censoring-or-weakening-data-security-americans-behest>.

⁹ Exec. Order 14331, 90 Fed. Reg. 38925, *Guaranteeing Fair Banking for All Americans* § 1 (Aug. 7, 2025), <https://www.whitehouse.gov/presidential-actions/2025/08/guaranteeing-fair-banking-for-all-americans/> (“Financial institutions have engaged in unacceptable practices to restrict law-abiding individuals’ and businesses’ access to financial services”); Justin Haskins, *Finally, A President Is Standing Up To Woke Banks*, THE FEDERALIST (Aug. 11, 2025), <https://thefederalist.com/2025/08/11/finally-a-president-is-standing-up-to-woke-banks/> (“The American people deserve financial institutions that serve all law-abiding citizens, not just those who align with the ruling class’s preferred ideology.”); cf. Press Release, Off. of the Comptroller of the Currency, OCC Finalizes Rule Requiring Large Banks to Provide Fair Access to Bank Services, Capital, and Credit (Jan. 14, 2021), <https://www.occ.gov/news-issuances/news-releases/2021/nr-occ-2021-8.html>. Though the FTC is not a federal *banking* regulator, the FTC’s remit includes significant elements of the financial-services space where actions akin to debanking have occurred.