

CALL A SPADE: PayPal Sued in New TCPA Suit for Doing Just That

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Happy Friday everyone. Going into the weekend, I wanted to share an intriguing development for you TCPA watchers. A fresh lawsuit entitled *Spade v. Paypal, Inc.* has been filed in the United States District Court in the District of Arizona. The case, brought by plaintiff Audry Spade, alleges that the financial services giant engaged in a persistent and unwanted text messaging campaign that violated key provisions of the TCPA.

The complaint outlines a series of events that spiraled into what the plaintiff describes as an unrelenting barrage of unwanted text messages. Let's dive a bit deeper into the details of this case and explore its potential implications for businesses and consumers alike.

According to the complaint, the trouble started when the plaintiff changed her mobile phone number in March 2024. After updating her new number with PayPal for account login purposes, she began receiving text messages from the company that went far beyond the scope of two-factor authentication.

The plaintiff alleges that PayPal sent her multiple daily text messages, sometimes as many as five per day, at all hours. These messages reportedly included alerts about adding funds to her account and contained links to open the PayPal app. Crucially, Ms. Spade claims she did not consent to receive these general texts beyond those required for login purposes.

What makes this case particularly interesting is the plaintiff's assertion that she made multiple attempts to stop the messages. The complaint states that Ms. Spade replied "STOP" or "UNSUBSCRIBE" at least five separate times, and even received confirmation from PayPal that notifications had been turned off. Despite these efforts, the texts allegedly continued unabated.

If proven true, these allegations could be dangerous for Paypal as companies are prohibited from sending autodialed texts without prior express consent and requires them to honor opt-out requests promptly.

In 2013, Paypal was involved in a TCPA dispute entitled *Roberts v. PayPal, Inc* that alleged similar allegations. In that circumstance, Paypal filed a Motion for Summary Judgment against the plaintiff and succeeded on that Motion, proving that prior consent was provided by the plaintiff, and that the

terms and conditions clearly stated that autodialed and prerecorded message calls could be sent.

It will be interesting to see how Paypal responds to these allegations in *Spade*. Will Paypal contest the claims similarly? Will they argue that their practices were compliant and file a Motion for Summary Judgment as they did before? We will wait and see.

Let this case be a reminder to all of us about how important it is for businesses, big or small, to been keen to the increasingly digital world we live in. As companies rely more heavily on text messaging for customer engagement, the line between convenient communication and invasive practices can become blurred, and this should come as no surprise to any of us.

Additionally, it is always important for businesses to continuously review their telephone/text messaging policies and technology stack to ensure TCPA compliance. Some examples? Clearly differentiate between consent for account-related communications (like two-factor authentication) and marketing messages, ensure opt-out requests are processed promptly and effectively across all systems, implement and test multiple opt-out methods (e.g., replying “STOP”, account settings, customer service), have clear terms and conditions that explicitly state the types of communications consumers may receive and how they can opt out, etc.

For now, we will await further developments on this case. But I hope this quick read was informative.

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