

The complaint

Mrs L, represented by Mr L, complains that PayPal (Europe) Sarl et Cie SCA upheld a non-receipt claim for an item that had been confirmed as received. Mrs L's account has since been blocked.

Mr L has dealt with issues throughout this complaint with PayPal. However, as the actions were taken in regard to Mrs L's account, this complaint is set up in Mrs L's name and for ease of reference I have referred to Mrs L throughout my decision.

What happened

On 11 January 2021, Mrs L received payment of £47.50 for goods sold. PayPal says that it received notification from the buyer that the transaction was unauthorised on 11 February, but this dispute wasn't upheld. On 23 February PayPal says the buyer disputed the transaction saying the item hadn't been received. A screenshot from the buyer confirming receipt of the item was provided, but this wasn't acceptable evidence. Therefore, PayPal upheld the dispute in favour of the buyer. Following further consideration PayPal provided a voucher for the equivalent amount as a gesture of goodwill to be used for future transactions. This didn't clear the negative balance on the account and the account was blocked.

Mrs L says that evidence of the item being received has been provided and that this should be enough for this complaint to be upheld.

PayPal has provided information from its User Agreement saying what is acceptable as proof of receipt and that the information provided about the receipt of goods wasn't acceptable. Therefore, it didn't accept it had done anything wrong.

Our investigator upheld this complaint. She thought it reasonable that PayPal would take the evidence provided in the form of a message from the buyer as confirmation of receipt. Because of this she said the negative balance on Mrs L's account should be corrected and that the voucher already provided as a gesture of goodwill would be considered additional compensation for the upset caused.

PayPal didn't agree with our investigator's view.

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 consider each case based on its individual merits. I take the relevant rules and regulations into account, but my decision is based on what I consider fair and reasonable given the unique circumstances of the complaint. Where the evidence provided is incomplete or contradictory I make my decision based on the balance of probabilities, that is what I consider most likely to have happened given the information provided and the wider circumstances of the complaint.

Mrs L sold an item to a third party for £47.50. The transaction took place on 11 January 2021. The details of the transaction show that the item was to be posted and the tracking information confirms the item was accepted at a post office on 12 January 2021. I think this is enough evidence to show that the item was sent as expected.

There was initially a dispute by the buyer about an unauthorised transaction, but this wasn't upheld, and Mrs L's account wasn't affected by this. However, on 23 February PayPal said the buyer had said the item hadn't been received. The tracking information provided showed the item being posted and didn't provide confirmation of it being delivered. I note the comments PayPal has provided in respect to its User Agreement and the evidence required. However, I can also see in this case that PayPal acknowledged an issue on 5 March 2021 saying that it had been in touch with the postal provider and that it had been told that due to the pandemic the tracking number hadn't been updated. There was then information about raising a claim. A copy of a letter from the postal provider regarding this transaction has been provided showing a refund of the postage paid. I think this further supports Mrs L's claim that the item was sent to the buyer's address as expected.

I appreciate that there is then a potential gap in evidence as the issue with the tracking information means it can't be confirmed the item was delivered. However, I also note that the buyer initially raised a claim about not making the transaction before then saying the item wasn't delivered. I think this raises concerns. Given the circumstances of this complaint and the issue that has been highlighted by the postal provider in regard to the tracking information I think it would be reasonable for PayPal to consider other evidence (additional to the tracking information) in order to make decision on this issue. In this case a copy of a message from the buyer confirming receipt of the item has been provided.

Having considered all the evidence in this case and I think it reasonable on balance to accept that the item Mrs L sold was sent and delivered to the buyer. I think Mrs L provided enough information to support this outcome. Therefore, I uphold this complaint.

I understand that Mrs L's account has been blocked due to the negative balance on it. I think the funds removed from the account relating to this transaction should be re-credited. I note a voucher was provided as a gesture of goodwill in response to the issues raised and I do not require any further action to be taken regarding the voucher.

Putting things right

PayPal should re-credit Mrs L's account with the amount that was reversed following the dispute regarding the item being received. If any adverse information has been recorded due to this issue on Mrs L's credit file this should be removed.

My final decision

My final decision is that I uphold this complaint. PayPal (Europe) Sarl et Cie SCA should take the actions taken above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 6 April 2022.

Jane Archer
Ombudsman