

## The complaint

Miss S complains PayPal (Europe) Sarl et Cie SCA didn't refund a payment to her after it said it would. She says this issue has caused her a lot of distress and inconvenience.

## What happened

Miss S had purchased an item using her PayPal account in May 2020. She contacted PayPal about this and also raised the issue of the costs she'd incurred for returning it. PayPal looked into her claim and sent an emailing agreeing to reimburse the shipping costs. The email said,

*"We have carefully reviewed your return shipping cost refund request and though your claim has NOT met the minimum requirements we have elected to approve claim on an exception basis.*

...

*Your request refund of £8.18 for your return shipping costs will be deposited directly to your PayPal account balance within 5 working days from today"*

Miss S said after waiting the allotted time there was no sign of the refund. So, she contacted PayPal again to see when she could get hold of her refund. After contacting PayPal, a number of times, Miss S raised a formal complaint with it in September 2020. Miss S later came to us.

One of our investigators looked into the complaint and upheld it. He said the available evidence showed PayPal had agreed to refund Miss S and without proof to show it had paid her, it should reimburse her now. He also recognised Miss S had been put to significant distress and inconvenience in pursuing the matter and recommended it give her £100.

Miss S accepted the investigator's conclusions. But PayPal didn't. It said, it hadn't had the correct account details from us to locate Miss S's complaint. It had wanted her name as it appeared on her PayPal account, the email address linked to the PayPal account and details about the transaction, such as, the transaction ID.

Our investigator went back to PayPal and explained that the first two bits of information had been given to PayPal some time ago. And it had written to us in January 2021 to say that it had located Miss S's account. PayPal acknowledged this but said there was still no record of Miss S ever having raised this issue as a complaint with it. And it wanted the opportunity to resolve this directly with her. It referred to our complaint handling rules. Ultimately our investigator didn't change his mind. He felt PayPal had already had enough information and time to resolve the matter.

PayPal later reviewed what our investigator said and offered to refund £8.18. But it didn't agree to the additional compensation. Miss S didn't think this was fair. She felt strongly that the trouble and upset she had experienced warranted compensation.

The case was passed to me.

### **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.

I'm satisfied Miss S raised her complaint directly with PayPal on 26 September 2020. I've seen the screen shot of her complaint to PayPal in which she gave her name, email address and a description of what the complaint was about. There's was a reference number and her mobile number if PayPal needed to clarify any of the information she'd provided. So, it's somewhat surprising PayPal couldn't trace the complaint. While this particular point is only an observation and does not form part of my overall findings, I thought it would be helpful to highlight when Miss S complained.

Given PayPal's email to Miss S (noted above) agreeing to refund the shipping costs, there's no reason why the refund wasn't given within the original timescales or why PayPal would need to seek further information about the original transaction many months later. The refund of £8.18 was a straight-forward matter – PayPal had agreed to pay it. So, it should have been paid to Miss S two years ago or at the very least given her an adequate explanation for why it wouldn't be honouring the payment. In not doing this, I'm satisfied this caused Miss S significant distress and inconvenience, in her having to pursue this to the extent she has. Miss S set out the facts of her case multiple times but she wasn't able to get any further forwards as to when she'd get the money. And I think this was down to PayPal's customer service. So, I think it's only right PayPal should put things right in relation to the shipping costs and compensation. While our investigator proposed £100 in addition to the £8.18, I thought £200 was more reflective of the frustration Miss S had experienced over the many months and couple of years.

I put the proposed award of compensation to PayPal before issuing this decision, inviting its comments. It reviewed Miss S's case further and said it wouldn't agree to the shipping costs or compensation as it had terminated its User Agreement with her, following concerns about how the facilities had been used. This was in breach of its terms of use. So, it didn't think Miss S was entitled to anything. I've thought about what PayPal has said here. But this doesn't change my mind. PayPal issued Miss S with an email agreeing to refund her shipping costs. As I have said, it should have paid this to her or responded to explain why it would be withdrawing the refund in its original email. But it didn't do either of these things. And providing information now, some significant time later doesn't alter the position in relation to the complaint Miss S raised and the trouble she was put to.

### **My final decision**

My final decision is that I uphold this complaint and require PayPal (Europe) Sarl et Cie SCA to pay Miss S £8.18 and £200 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 1 August 2022.

Sarita Taylor  
**Ombudsman**