

The complaint

Miss G complains about PayPal (Europe) Sarl et Cie SCA and their decision to decline the claim she made under their Buyer Protection Policy (BPP).

What happened

At the start of March 2022, Miss G purchased an item from a seller, who I'll refer to as "V", using her PayPal account. But Miss G was unhappy with the item she received and so, on 25 March, Miss G raised a Significantly Not as Described (SNAD) claim under PayPal's BPP.

PayPal considered the evidence Miss G provided but found in V's favour as the item had been washed. So, PayPal thought the item had been altered since it was received. Miss G appealed this decision, but PayPal denied this appeal and the claim was closed in V's favour. Miss G was unhappy about this, so she raised a complaint.

Miss G didn't think PayPal's decision to decline the claim was fair. She explained the item she intended to purchase was a wig containing human hair and so, she thought it was natural for her to wash it. And she thought washing the item shouldn't have led to the damage it did. So, she maintained her belief she'd paid for an item that was SNAD and because of this, she thought she should be refunded.

PayPal responded and didn't agree. They thought they had declined the claim fairly, in line with the terms set out in the BPP. So, they didn't think they needed to do anything more. Miss G remained unhappy with this response, so she referred her complaint to us.

Our investigator looked into the complaint and upheld it. They didn't think PayPal acted fairly when saying the item had been altered, as they thought it was reasonable to assume a human hair wig would need to be washed. And they pointed to V's messages to Miss G where they didn't question Miss G's decision to wash the item before applying it. As PayPal had been unable to provide any evidence provided by V during the claim, our investigator thought, based on the information they were able to see, that the item Miss G received was SNAD. And so, they thought the claim should've been upheld. Because of this, they thought PayPal should refund Miss G the payment she made for the item, if she hadn't been successful with her bank's chargeback. And if this is the case, they thought PayPal should add 8% simple interest to this amount from the date of payment to the date of refund.

Miss G accepted this recommendation. But PayPal didn't, without providing further comments. As PayPal didn't agree, the complaint has been passed to me for a decision.

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.

Having done so, I'm upholding the complaint for broadly the same reasons as the investigator. I've focused my comments on what I think is relevant. If I haven't commented

on any specific point, it's because I don't believe it's affected what I think is the right outcome.

First, I want to recognise the fact that PayPal aren't responsible for the quality of the item Miss G purchased from V. So, Miss G receiving an item she wasn't happy with isn't evidence of PayPal acting unfairly. Nor does it automatically guarantee Miss G the right to a refund of the payment she made.

But PayPal do have a BPP in place to protect customers in these sorts of situations, providing customers the opportunity to claim for a refund. So, I've considered whether I think PayPal assessed Miss G's SNAD claim and the supporting evidence fairly, in line with the terms of the BPP. And that their decision to decline the claim was a fair one. And in this situation, I don't think it was.

PayPal have confirmed Miss G's claim was declined as the item she received had been altered since it had been delivered. Specifically, because Miss G had washed the hair she'd received. So, I've considered this reasoning against the terms of the BPP to ensure the claim had been declined within the terms, in a fair and reasonable manner.

PayPal's BPP explains an item may be considered SNAD for a variety of reasons. These reasons include *"The item is materially different from the seller's description of it"*, *"The condition of the item was misrepresented"* and *"The item is unusable in its received state"*.

I've seen V's description of the item, which explains the hair was *"100% original single donor hair...not treated with chemicals, not dyed...excellent quality for bleaching to tone...serve for a long time"*. I think this description suggests the hair would be able to be treated in line with a customer's preference. And that despite this, the hair was expected to service for a long time.

But Miss G has provided testimony, as well as photos, which show after washing the hair for the first time, the wig itself had shedded a large amount of hair. And from what I can see, colour was running out of the hair which goes against V's description of the hair not being dyed or treated with chemicals. So, I think Miss G's testimony, and her supporting evidence, satisfies me her item qualified to be considered as a SNAD claim under the terms of PayPal's BPP.

The BPP also provides situations where a SNAD claim can't be considered or may be declined. And none of these reasons include where an item has been altered since it's delivery. Nor can I see that alterations are included in any other general exclusions. So, I don't think Miss G would've reasonably known through the BPP that she wouldn't be able to wash the hair and still qualify for an SNAD claim.

And even if this was made clear, I don't think it would've been fair to decline the claim on this basis in this situation. I think it's reasonable for Miss G to assume she'd be able to wash the item on a regular basis, as it was a wig with natural human hair. V's sale description of the item suggests customers could bleach and tone the hair, so I think it's reasonable to assume the hair would be able to withstand regular washes. And I've seen the messages between Miss G and V where she explains she's washed the item and I can't see that V raised any concerns about Miss G doing so. If the item wasn't intended to be washed, I would've expected V to have made this clear at this point. But I can't see they did.

So, I don't think PayPal have acted fairly when declining the claim based on the fact the item had been altered. I appreciate PayPal may not agree with this. And I recognise they say they received evidence from V that supports their decision to decline the claim. But I haven't been provided with this evidence and so, my decision is based solely on the information available

to me.

As I don't think PayPal have acted fairly, I've then proceeded to think about what I think PayPal should do to put things right.

Putting things right

Any award or direction I make is intended to place Miss G back in the position she would've been in, had PayPal acted fairly in the first place.

In this situation, had PayPal have acted fairly, I think it's most likely the claim would've been upheld as I believe the evidence Miss G provided is significant and strongly suggests the item she received wasn't as described.

So, it follows that Miss G would've received a refund of the payment she made to V. So, I think this payment should be refunded to her. And I think 8% simple interest should be added to this amount, from the date the claim was declined to the date of refund, to recognise the amount of time Miss G has not had access to these funds.

But our service is also unable to place Miss G in a position of betterment, as we are an independent and impartial organisation. And I am aware Miss G raised a chargeback with her bank as an alternative method to receive a refund. So, if this chargeback has already been successful, and Miss G has received a refund, then I wouldn't expect PayPal to provide Miss G with an additional refund as this would leave her in an improved financial position. PayPal should contact Miss G directly to confirm the status of her chargeback claim.

My final decision

For the reasons outlined above, I uphold Miss G's complaint about PayPal (Europe) Sarl et Cie SCA and I direct them to take the following action:

- Refund Miss G the payment she made to V, if this refund hasn't already been provided through her chargeback claim; and
- Pay 8% simple interest on the payment, from the date Miss G's SNAD claim was declined to the date the refund is received.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 17 August 2022.

Josh Haskey
Ombudsman