

## **The complaint**

Miss G is unhappy with how PayPal (Europe) Sarl et Cie SCA dealt with a dispute she raised under PayPal buyer protection.

## **What happened**

Miss G has explained that in May 2021 she purchased a buttonhole machine. She bought the item online, and paid for this through PayPal, in two transactions. One transaction for £300, and one for £700. Miss G paid £94 to have the machine delivered to her. But this wasn't paid for using PayPal.

Miss G received the buttonhole machine but said that the item didn't work properly from the point she took delivery. She said she was in contact with the seller regularly about this. And when she still experienced problems, she paid for an independent engineer to look at the item – for the cost of £100. Miss G has said the engineer told her she had purchased a faulty machine, and that the machine contained parts not authorised by the manufacturer.

Because of the above, Miss G raised a dispute through PayPal, saying the item wasn't as described. This dispute wasn't upheld – with the reason given being that Miss G had altered or repaired the item whilst in her possession.

Miss G then raised a second dispute – and has said she was told to return the buttonhole machine to seller, to then receive a refund. Miss G said she did return the item. However, PayPal said the proof that Miss G provided to show she returned the item wasn't valid. So, it didn't uphold this dispute either.

Miss G has said the proof she provided was valid. And she's highlighted that she has now been left both without the machine, and without the £1,000 she paid for it. And she incurred £112 in costs for returning the machine via a courier. In addition to costs for an independent engineer.

Because Miss G remained dissatisfied, she referred her complaint to this service for an independent review.

Our investigator considered this complaint and thought it should be upheld. They said Miss G had raised her dispute with PayPal within the 180 days required of her. And that she's provided sufficient proof to show she had returned the item. So, they recommended PayPal pay Miss G £1,000.

Miss G responded and accepted this. PayPal responded, and said it didn't agree. It asked for the matter to be referred to an ombudsman for a final decision.

Because of this, this complaint has been referred to me to decide.

## **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've decided to uphold this complaint in part. I've explained why below. I've reviewed the terms and conditions of PayPal's Buyer Protection. I can see this says: *"When buying something from a seller who accepts PayPal, you may be eligible for a refund under PayPal Buyer Protection. When applicable, PayPal Buyer Protection entitles you to reimbursement for the full purchase price of the item plus the original shipping cost you paid, if any. PayPal determines, in its sole discretion, whether your claim is eligible for PayPal Buyer Protection, PayPal's original determination is considered final, but you may be able to file an appeal of the decision if you have new or compelling information not available at the time of the original determination or you believe there was an error in the decision-making process."*

So, I'm aware if eligible, there are situations in which Miss G may be able to receive a refund for the purchase price of the item she bought.

I've also read the eligibility criteria noted in the terms. And Miss G meets these for the buttonhole machine.

Miss G raised a first dispute, which was unsuccessful. But she raised a second. I've seen the outcome of this second dispute. And this said the dispute was found in the seller's behaviour, because the proof of return Miss G had provided was invalid.

Miss G feels the outcome reached for this dispute is incorrect – so there was an error in the decision-making process. She says this was the case as she did have valid proof of returning the machine to the seller.

As Miss G feels there was an error in the decision-making process, I've thought about whether PayPal acted fairly here. And I don't think it did. I can see from PayPal's file it visited a courier's website – and tried to put in a tracking number for the return. But this didn't yield any results. But the website checked appears to be wrong. Miss G used a courier price comparison website, and then purchased the return via that website, but with a different company. So, when searching the website PayPal did, it wouldn't have shown the successful return.

In any event, Miss G provided other information, to evidence she had returned the item. This included videos of her packaging the item for return, the receipt for booking the return with a courier, a photo from the courier which shows the item being signed for at the intended destination. And photos of the item in the place of return. I think this evidence is persuasive in showing that Miss G returned the item to the seller. And so, I think PayPal has acted unfairly in not accepting this evidence as proof of return – and therefore reimbursing her for the cost of the buttonhole machine. Given this, I'm requiring PayPal to pay Miss G £1,000. Miss G also mentioned the shipping costs she paid to receive the buttonhole machine, and to then send it back to the seller. I've considered these costs. And I'm satisfied PayPal doesn't need to do anything in respect of these.

From the information Miss G has provided, the shipping costs she paid to receive the item weren't paid through PayPal. And so, wouldn't be covered under the buyer protection Miss G had – the eligibility criteria explain the payment has to have been made through Miss G's PayPal account.

In terms of the costs to return the machine, PayPal's user agreement explains the following: *"IMPORTANT: You may be required to return the item to the seller or other party we specify as part of the settlement of your claim. PayPal Buyer Protection does not entitle you to reimbursement for the return shipping costs that you may incur."*

Given the above is clear that return shipping costs won't be reimbursed by PayPal, I'm satisfied it hasn't done anything wrong in not refunding these costs to Miss G.

I also note Miss G paid for an independent engineer to look at the buttonhole machine for her, and it established problems with the item. But looking through the PayPal Buyer Protection terms, there isn't anything within these which provide for reimbursement of costs such as this. So, I don't require PayPal to reimburse Miss G for this either.

### **My final decision**

Given the above, my final decision is that I uphold this complaint. I require PayPal (Europe) Sarl et Cia SCA to pay Miss G £1,000.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 19 August 2022.

Rachel Woods  
**Ombudsman**