

## **The complaint**

Mr A has complained that PayPal (Europe) Sarl et Cie SCA ("PayPal") unfairly refused him a refund under their Buyer Protection scheme – even though he proved he'd not received the goods he'd bought.

## **What happened**

At the start of 2022, Mr A bought a new mobile phone online. He used PayPal's "pay in 3" service to pay £746 for it in three instalments. The seller arranged for delivery by a courier service and required delivery to be signed for.

A few days later, Mr A received a message from the courier confirming they had the phone and telling him the date they'd deliver it. Mr A knew he wasn't going to be at home that day. So he used the link provided in the courier's email to reschedule the delivery to a day when he'd be available.

The courier confirmed receipt of his request with a message showing delivery would now be on Mr A's preferred date. But they then delivered the phone on the original date – when Mr A wasn't home to receive it.

Initially, Mr A contacted the seller about non-delivery. The seller contacted the courier, who told the seller the phone had been correctly delivered – and they didn't accept he hadn't received it. The seller suggested Mr A report the matter to the police and open a dispute through PayPal.

Mr A made a police report as suggested. The police logged the incident but concluded there wasn't enough evidence to pursue the matter and closed their investigation. And Mr A contacted the couriers, who investigated and told Mr A the phone had been dispatched on the original delivery date, left without any authorisation and their driver had failed to act appropriately. They apologised and said all they could do was declare the package lost.

Mr A also contacted PayPal and raised a dispute under their Buyer Protection process, on the basis he'd not received the item he'd bought. PayPal asked the seller to provide proof of delivery and the seller provided confirmation from the courier that the phone had been delivered on the date Mr A wasn't at home. So PayPal found in the seller's favour.

Mr A challenged PayPal's decision and sent them copies of the police report and the outcome of the courier's investigation. PayPal didn't change their decision. So Mr A brought his complaint to us.

Our investigator considered it and concluded PayPal hadn't acted fairly – so he said PayPal should refund Mr A what he'd paid. While he accepted PayPal had followed their process correctly, he noted that doesn't always lead to a fair outcome.

And he thought this was the case here, because Mr A had provided compelling evidence that he'd not received the phone – even though the seller had produced proof of delivery from the courier. So he said PayPal should refund Mr A what he'd paid.

I agreed with our investigator that, while PayPal had followed their process, that had led to an unfair outcome for Mr A because he'd done everything he could to prove he'd not received the phone. But I made a provisional decision, because I thought that, in addition to refunding Mr A what he'd paid, he should receive interest on the money for the period he'd been without it.

And I was satisfied that Mr A had been distressed by what had happened, and inconvenienced by having to gather all the evidence he had to demonstrate he'd not received the phone. So I provisionally decided he should also receive £100 compensation for this.

Mr A accepted my provisional decision. PayPal didn't accept it and repeated they'd acted in line with their user agreement. The matters now been returned to me to make a final 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 that, I'm upholding Mr A's complaint, in line with the reasons I set out in my provisional decision – which I've summarised above.

I understand PayPal say they've acted in line with their user agreement. I didn't disagree with that.

The user agreement says a buyer won't get a refund under the Buyer Protection process if the seller produces proof of delivery – which they did. But PayPal has seen the confirmation the courier provided to Mr A that their driver didn't act appropriately. I think that means it's unfair to rely on the delivery confirmation in those circumstances. And that's why I'm upholding the complaint.

### **Putting things right**

As I explained in my provisional decision, I'm satisfied that Mr A didn't get the phone. And I'm satisfied he paid for it in full. So PayPal need to refund him £746.

And I'm satisfied it's fair for PayPal to pay Mr A simple interest at the rate of 8% per annum, calculated from the date they declined his dispute or – if later – from the date on which he paid the instalments until the date of settlement.

Finally, because I'm satisfied Mr A did suffer some distress and inconvenience by the way this matter was handled, I've decided PayPal should also pay him £100 compensation to recognise this.

### **My final decision**

For the reasons I've explained, I'm upholding Mr A's complaint about PayPal (Europe) Sarl et Cie SCA and directing PayPal to:

- Refund Mr A £746 for the phone he didn't receive;
- Pay him simple interest at the rate of 8% per annum, calculated from the date they declined his dispute or – if later – from the date on which he paid the instalments until the date of settlement.

If PayPal considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr A how much it's taken off. It should also give Mr A a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate; and

- Pay Mr A £100 compensation for the distress and inconvenience they've caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 August 2022.

Helen Stacey  
**Ombudsman**