

## The complaint

Mrs N is unhappy with how PayPal (Europe) Sarl et Cie SCA handled a claim she made under its buyer protection program.

## What happened

Mrs N has explained that she purchased a bed online – paying £179.99 for it. However, she has said that when the bed arrived, the item wasn't as it had been described on the relevant website. Mrs N has explained that the bed was missing some fabric, didn't have drawers that she had paid for, and wouldn't assemble. Because of this, Mrs N raised a claim under PayPal's buyer protection program, on 22 January 2022.

Five days later, on 27 January 2022, PayPal contacted Mrs N and said that the website she had purchased the bed from had agreed to provide a full refund once the bed had been returned to it. PayPal said that Mrs N needed to *"initiate the return shipment and upload the tracking information in the Resolution Centre before 7 February 2022."* PayPal then said that once the website Mrs N purchased the bed through confirmed it had received the item, a refund would be provided to Mrs N, and her claim would be closed.

However, Mrs N has said this wasn't what happened. Instead, her claim was closed, with PayPal finding in the seller's favour. So, Mrs N didn't receive a reimbursement of the £179.99 she had paid.

PayPal said this was because Mrs N failed to comply with its shipping requests in a timely manner. And it said Mrs N didn't provide it with valid shipping information. Both of which it said were requirements of its buyer protection program.

Mrs N didn't think it was correct – or fair. She said that she had uploaded information to the resolution centre on 7 February 2022, including an invoice from the courier company she had arranged to return the bed through. Mrs N said she also spoke to PayPal and told it the bed would be delivered to the seller on 8 February 2022, which it said wasn't a problem. And a refund would be provided to her following the bed arriving with the seller on 8 February 2022.

Mrs N said the bed was delivered on 8 February 2022 as expected. And she provided evidence of this to PayPal. But PayPal then didn't reimburse her with the £179.99. Instead, PayPal said that Mrs N needed to have provided a valid tracking number for the delivery. And whilst Mrs N had given other information, she hadn't given a valid tracking number. So, PayPal said it wouldn't be providing the reimbursement.

Mrs N was unhappy with this. She said the courier company didn't provide tracking numbers, and she was told by PayPal that other proof of delivery would be accepted. Because Mrs N was unhappy, she raised a complaint with PayPal.

PayPal considered the complaint but maintained its position on the matter. So, Mrs N referred her complaint to this service for an independent review.

Our investigator considered this complaint and didn't think it should be upheld. They said PayPal had acted in line with the PayPal user agreement, when not finding in Mrs N's favour. Our investigator said Mrs N hadn't provided the necessary information before 7 February 2022. And that the relevant terms and conditions required a tracking number to PayPal – which Mrs N didn't provide. So, he didn't recommend PayPal did anything differently.

Mrs N didn't agree. She said she had returned the bed and had proof of this. And now the seller had both the bed, and her money. So, she was out of pocket by £179.99. In addition, to £60 she had needed to pay the courier to return the bed.

Because Mrs N didn't agree, this complaint has been referred to me to decide.

I issued a provisional decision to the parties. In this I said:

*"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 intending on upholding this complaint, and requiring PayPal to issue the refund of £179.99. Plus 8% interest, simple per annum, from the date PayPal received a copy of the delivery note, to the date of settlement, less any tax properly deductible. I've explained why I'm intending to decide this below.*

*I've reviewed the user agreement that Mrs N agreed to, when using PayPal. And having done so, I can see that this explains PayPal's buyer protection programme. The buyer protection program notes that, where applicable, it will entitle the buyer to a full reimbursement of the purchase price paid for an item, plus any original shopping costs.*

*One such situation is where the item received is "significantly not as described." Mrs N has said the bed was missing some fabric, as well as drawers. And it wasn't possible to assemble the item. Neither party has disputed this would meet the criteria for being significantly not as described. And therefore, that Mrs N can raise a claim under the buyer protection program for this. So, I haven't considered that any further.*

*Instead, I've considered whether PayPal came to a fair decision to find in the seller's favour – given the terms and the PayPal Buyer Protection Program and the other information provided. And I don't think it did.*

*PayPal's terms and conditions note that Mrs N must "respond to PayPal's requests for documentation or other information, after you, the seller or PayPal escalates your dispute to a claim for reimbursement. PayPal may require you to provide receipts, third party evaluations, police reports or other documents that PayPal specified. You must respond to these requests in a timely manner, as requested in our correspondence with you."*

*I've reviewed the correspondence PayPal sent to Mrs N.*

*An email Mrs N was sent on 27 January 2022. This said Mrs N needed to "initiate the return shipment and upload the tracking information in the Resolution Centre before 7 February 2022." So, the return of the item had to be arranged before 7 February 2022. It's important to highlight that initiating the return isn't the same as having completed the return at that point. Mrs N was able to return the item after 7 February 2022, as long as she had proof she'd arranged it.*

*Based on the information I've received; I can't see that Mrs N had initiated the return and uploaded tracking information before 7 February 2022. Mrs N initiated the return and*

*provided information for it on 7 February 2022. So, she didn't respond before 7 February 2022 as requested, in line with the terms.*

*But I also need to consider what is fair and reasonable here. Mrs N did initiate the return and provide information on the return on 7 February 2022. I'm aware of this because I've listened to a phone call between Mrs N and PayPal on 7 February 2022. Mrs N told the representative the return was arranged and that the courier was due to pick up the bed, and deliver it to the seller the next day, on 8 February 2022. The PayPal representative told Mrs N that whilst the claim had been closed, it would be able to look further into it.*

*The representative said that once the bed was delivered the next day, Mrs N could provide evidence of the item being delivered, such as a confirmation letter after delivery. And at that point the claim will be reopened and decided in Mrs N's favour.*

*I'm also aware Mrs N was told she didn't need to provide a tracking number, but other evidence would be fine. In an online chat, Mrs N was told the following:*

*"In order for you to be eligible for PayPal buyer protection we would need proof of the item being returned to the address we have provided via email.*

*This proof can come in the form of a tracking number or an invoice or collections docket stating where the item is being delivered to and who it was collected by."*

*So, once Mrs N provided this information, I think PayPal should have done what its representative said it would, and reopen the claim, finding in Mrs N's favour.*

*Mrs N did provide this information. Mrs N provided a signed document, confirming the item was delivered to the address PayPal had provided. And a photo of this too. And PayPal don't dispute this. Given the information is in line with what Mrs N was told she would need to send – I don't think PayPal has acted fairly in maintaining its decision to find in the seller's favour.*

*Mrs N has raised that she needed to pay shipping costs, to return the faulty bed to the seller. And I appreciate this was the case. But PayPal's terms and conditions are clear. It is the responsibility of the buyer to pay these – as detailed below:*

*"Comply with PayPal's shipping requests in a timely manner, if you're filing a Significantly Not as Described claim. PayPal may require you, at your expense, to ship the item back to the seller, to PayPal or to a third party (which will be specified by PayPal) and to provide proof of delivery."*

*And,*

*"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, I'm not intending on requiring PayPal to reimburse Mrs N for the cost of shipping the bed back via courier."*

*Mrs N responded to my provisional decision and accepted. Although she did note that she had paid for the bed via PayPal credit, and the £179.99 and therefore been subject to interest on that account. PayPal didn't respond to the provisional 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, my final decision is that I uphold this complaint. Neither party has provided any evidence or comments which alters the outcome detailed in my provisional decision or alters the reasoning for this. So, my decision remains the same as that noted in my provisional decision.

Mrs N did note that as she had paid for the bed using PayPal Credit, the £179.99 had been incurring interest too. And Mrs N has provided me with evidence of this. But I'm satisfied the award I've already detailed is fair and reasonable. It provides an amount of 8% interest from when I think PayPal should have accepted the dispute. This being the date it received a copy of the delivery note, to the date of settlement.

This interest is and above the amount of interest charged on Mrs N's PayPal credit account. So, it allows for the interest on that to be covered, as well as recognition of the time Mrs N has been without the funds. So, my award remains the same.

### **My final decision**

Given the above, I'm upholding this complaint, and requiring PayPal (Europe) Sarl et Cie SCA to issue the refund of £179.99. Plus 8% interest, simple per annum, from the date PayPal received a copy of the delivery note, to the date of settlement, less any tax properly deductible.

If HM Revenue & Customs requires PayPal to deduct tax from this interest, PayPal should give Mrs N a certificate showing how much tax it's deducted, if they ask for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 7 December 2022.

Rachel Woods  
**Ombudsman**