

## **The complaint**

Mr R complains about PayPal (Europe) Sarl et Cie SCA being inconsistent and unfair by refusing to give him a refund of US \$4,000.

## **What happened**

I issued my provisional decision on this complaint on 27 January 2024, and this is what I said:

*I've considered the relevant information about this complaint.*

*Based on what I've seen so far, there will be a different outcome to what our investigator proposed. Before I issue my final decision, I wanted to give everyone a chance to reply.*

*I'll look at any more comments and evidence that I get by 10 February 2024. But unless the information changes my mind, my final decision is likely to be along the following lines.*

## **The complaint**

*Mr R complains about PayPal (Europe) Sarl et Cie SCA being inconsistent and unfair by refusing to give him a refund of US \$4,000.*

## **What happened**

*In 2022, Mr R used his PayPal account to purchase watches on an online global commerce platform (Company A). He bought 124 watches in 4 batches:*

- Batch a - 50 watches costing US \$9279.85*
- Batch b - 50 watches costing US \$9462.79*
- Batch c - 12 watches costing US \$4034.58*
- Batch d - 12 watches costing US \$4,000.00*

*Unfortunately, due to a fraud, Mr R didn't receive any of the watches, so he requested refunds from PayPal.*

*PayPal provided him with a refund for batches a, b and c but not d. Mr R complained to PayPal as he couldn't understand why they hadn't refunded him for batch d (US \$4,000) when he had given the same information on each of the refund requests.*

*PayPal say they declined batch d because Mr R didn't provide them with the information they requested in the required 3-day time frame. They also said that Mr R confirmed that he 'purchased 50 watches whether for resale or investments which is not covered under PayPal's Buyer Protection Program'.*

*Mr R complained to our service saying PayPal wrote to him about all 4 batches on 24 March 2023 and he replied within 72 hours and thinks they are treating him differently over batch d. However, our investigator didn't uphold his complaint.*

*As Mr R remains dissatisfied this case has been referred to me to look at.*

***What I've provisionally 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 have a different view to the investigator and based on the current information I'm upholding this complaint.*

*I should first point out that:*

- *We don't have powers to interrogate business systems or records. We do though have a mandate to resolve complaints in an informal way, asking both parties to submit evidence and arguments.*
- *Our role is to consider the submissions presented and, where we think a business hasn't acted fairly and / or reasonably in the circumstances, to decide what should be done to put right any financial, or non-financial losses that a consumer has experienced.*
- *In cases where information is incomplete, inconsistent or contradictory, as it is in this case, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available information.*

*Regarding PayPal's complaint response which said:*

*'We did not receive this information in a timely manner as requested in our correspondence with you, your claim was denied'.*

*I found this statement caused confusion. I say this because there is evidence on file that Mr R did respond to PayPal within 72 hours. However, PayPal's point was about his response to their following questions:*

- *'Please provide us details of item purchased Invoice / purchase receipt relating to this purchase How many quantities of item purchased'*
- *'How you can submit documents? You'll need to log in to your PayPal account and go to the Resolution Centre to upload the requested documents and provide notes for the case. This is the quickest way for us to receive and review your information'*

*Mr R responded by saying he 'couldn't provide files as all dealings were done via Company A emails'. So, it was the required information that wasn't received.*

*Although I appreciate Company A is no longer connected to PayPal and the form said 'please provide any information we ask you to send us within 3 days. If we don't hear back from you within this time frame, we may decide this case in the sellers favour', Mr R says he wrote exactly the same on the other 3 claims which PayPal paid out on, so I can understand why he is mystified by PayPal's decision and feels they have taken a different approach to batch d.*

*I asked PayPal for information on the other 3 claims to see the order they had been processed, whether they had paid the seller for batch d knowing there was an issue or fraud on the other batches and had made an inconsistent decision. Unfortunately, PayPal didn't respond to my enquiries sent to them on 9 January 2024.*

*So, considering the information currently available, including Mr R's testimony, because PayPal have provided a second justification for refusing batch d, which is that the watches*

are 'Ineligible Items and Transactions' as they are for 're-sale or investment', I think, on balance of probabilities, that:

- Mr R submitted the same questionnaire response for the 4 batches
- Batch d was processed after the other 3 batches (a, b and c)
- PayPal considered Mr R's response to their questions to have been sufficient to process 3 of the 4 batches

And PayPal didn't consider this second justification applied to 1 of the 4 batches which, as they were all for the same product and 3 batches were previously agreed, gives weight to Mr R's arguments that PayPal have treated him unfairly by:

- Making an incorrect and / or inconsistent decision
- Using the 'Ineligible Items and Transactions' condition as an excuse not to pay him

Also, as all 4 batches had the same questionnaire response and the other 3 batches were processed before batch d, I think it more likely than not that PayPal considered Mr R's response to their questions to have been sufficient to process the refund.

In addition, due to the order the batches were processed in, PayPal should've had reasonable grounds to suspect batch d was subject to fraudulent activity, so I'm surprised at their decision to pay the seller.

So, for the above reasons, I think it more likely than not that PayPal haven't treated Mr R fairly and consistently here and I require PayPal to provide Mr R with a refund of US \$4,000.

Also, I'm persuaded by Mr R's testimony that PayPal's refusal to refund this amount has caused him both inconvenience and worry. So, I'm upholding this complaint and I require PayPal to:

- Provide Mr R with a refund of US \$4,000
- Pay 8% simple interest on the refund amount of US \$4,000 from the date the last of batch a, b and c was paid to the date of settlement
- Pay Mr R £250 compensation for distress and inconvenience

### **My provisional decision**

For the reasons I've given above, it's my provisional decision to uphold this complaint and I require PayPal (Europe) Sarl et Cie SCA to:

- Provide Mr R with a refund of US \$4,000
- Pay 8% simple interest on the refund amount of US \$4,000 from the date the last of batch a, b and c was paid to the date of settlement
- Pay Mr R £250 compensation for distress and inconvenience

I'll look at anything else anyone wants to give me – so long as I get it before 10 February 2024.

Unless that information changes my mind, my final decision is likely to be as I've set out above.

## **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 would like to thank both parties for responding before the deadline.

Mr R agreed with my provisional decision.

PayPal said the following:

*'Please note that we will proceed with your provisional decision and a credit of £3700.00 GBP has been applied to the customer's account which will be available within 72 hours. This payment includes the redress of £250.00 GBP along with the 8% simple interest from the date requested'.*

So, as no further arguments or evidence have been produced, my view remains the same. I therefore adopt my provisional decision and reasons as my final decision.

For the reasons I've given above, my final decision to uphold this complaint and I require PayPal (Europe) Sarl et Cie SCA to:

- Provide Mr R with a refund of US \$4,000
- Pay 8% simple interest on the refund amount of US \$4,000 from the date the last of batch a, b and c was paid to the date of settlement
- Pay Mr R £250 compensation for distress and inconvenience

## **My final decision**

My final decision is that I uphold this complaint and I require PayPal (Europe) Sarl et Cie SCA to:

- Provide Mr R with a refund of US \$4,000
- Pay 8% simple interest on the refund amount of US \$4,000 from the date the last of batch a, b and c was paid to the date of settlement
- Pay Mr R £250 compensation for distress and inconvenience

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 7 March 2024.

Paul Douglas  
**Ombudsman**