

## **The complaint**

Mr D is unhappy that PayPal UK Ltd won't refund him after he made a claim for items that he purchased and didn't receive.

## **What happened**

In October 2023, Mr D purchased some goods from a retailer online using PayPal. Mr D didn't receive them and in November 2023, he raised a claim under PayPal's Buyer Protection scheme for a refund of the payment. In response to this, the retailer provided a tracking number which showed that the goods had been successfully delivered by the postal service involved. So PayPal didn't refund the payment, as it didn't meet its criteria for a successful claim under its Buyer Protection scheme.

Mr D was unhappy with this. He felt PayPal hadn't considered the dispute fully and properly. He said that while the items had been delivered, they had been delivered to a communal area where he lived. So he brought his complaint to this service where one of our investigators looked into it. They felt that PayPal's terms covered a situation like this and that they had been fairly applied here. They said that while the items may not have been received, there was evidence that they had been delivered and so PayPal wasn't responsible for what had gone wrong here.

Mr D disagreed, saying that the evidence of delivery wasn't enough to meet the retailer's own terms around successful delivery and receipt of goods. He restated that the evidence only showed that the goods were left in a communal area – not that they were handed to him. He also restated that he was unhappy with how PayPal handled his claim and complaint. The complaint was then passed to an ombudsman 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.

PayPal facilitated the payment between Mr D and the retailer here. This means that Mr D is eligible to make a claim under its Buyer Protection policy which, in certain circumstances, means PayPal will reimburse a buyer if a purchase doesn't arrive or match the seller's description.

When Mr D made his claim under this policy, PayPal dealt with it in line with the terms of the scheme. It considered what Mr D had said and provided and then asked the retailer, as the seller, for its side of the dispute. The retailer responded with proof of delivery from the postal service it used to send the items.

PayPal's terms explain:

*Your claim will not qualify for a refund under PayPal Buyer Protection for an Item Not Received claim, if:*

- *The seller has provided proof of delivery.*

*If the seller presents evidence that they delivered the goods to you, PayPal may find in favour of the seller for an Item Not Received claim even if you claim you did not receive the goods.*

That applies to this situation, because even though the goods were delivered to the correct address by the retailer, Mr D says he didn't receive them, as they were left in a communal area. But PayPal received proof of delivery and the terms explain that in a situation like this, it may find in the seller's favour even if a customer didn't receive the goods.

So in the circumstances here, I'm satisfied that PayPal is entitled to rely on the terms as it has. Mr D has said that the evidence of delivery isn't enough to meet the retailer's own terms around what it terms 'delivered'. But this claim is being made under PayPal's Buyer Protection scheme – so I think it's fair that it's relying on the terms of the scheme, rather than the retailer's own terms.

I can see why this feels unfair to Mr D – but PayPal has followed the terms of its scheme in deciding this claim and I'm satisfied it's done so fairly. As I understand it, Mr D has chosen to pursue the dispute through another dispute scheme, as he is entitled to. It may be that he receives a more favourable result from this – and I hope he does. But this wouldn't mean that PayPal did anything wrong by deciding this claim as it did here.

Ultimately PayPal has certain terms and criteria that mean that a claim won't be successful if they're not met. Other dispute schemes have different criteria and so the outcome here just means that PayPal decided whether Mr D's claim met its criteria in the circumstances. As it didn't, Mr D is free to pursue the claim in other ways – as he looks to have.

Mr D has raised concerns about how PayPal dealt with the claim and his complaint too. He says that the responses from PayPal seemed automated and impersonal. I've considered what he's said, but I haven't seen anything in what PayPal said that is incorrect or doesn't accurately describe its process or reasoning.

From the evidence PayPal has provided this service – I'm satisfied it has fully considered Mr D's claim in line with the terms of its policy. I realise that the outcome wasn't what Mr D wanted and that he sees the dispute as more nuanced than PayPal perhaps does – but it looks to have communicated with Mr D in a fair and reasonable way. With this in mind, there is nothing further I can expect of PayPal here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 25 July 2024.

James Staples  
**Ombudsman**