

## **The complaint**

Mr G complains about how PayPal (Europe) Sarl et Cie SCA dealt with a refund.

## **What happened**

Mr G says he bought a printer for £189.99 via PayPal. He says the printer was faulty and the money was refunded to PayPal. Mr G says PayPal didn't then send the refund to the credit card account used for the purchase. He says he raised a chargeback and was temporarily refunded. But says PayPal then used a debt collection company for the debt as it said he had been refunded twice.

PayPal says the refund was processed in 2023 but has offered to refund the £189.99. It now says it will pay £250 compensation but does not make clear if that included the refunded £189.99.

Mr G had brought his complaint to us. Our investigator thought PayPal should refund the money, as it has agreed to do, and pay £250 compensation.

Mr G doesn't accept that view and would like £1,000 compensation. He says there could have been an impact on his credit file.

I asked both sides for further information.

Mr G says he abandoned the chargeback and hasn't provided evidence of any impact on his credit file.

PayPal says the £250 is a fair overall offer which includes the refund as well as compensation.

## **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 have come to the overall view that PayPal should pay £250 compensation and refund the £189.99 for the reasons I will explain.

I have looked carefully at the records Mr G has provided from the credit card provider and his online exchanges with PayPal. I am satisfied it is clear Mr G paid £189.99 for the purchase and that it is clear, he was due a refund from PayPal. I have looked at the credit card statements at the relevant time and I am satisfied Mr G didn't receive the refund from PayPal. I would have expected PayPal in those circumstances to try and locate the missing money and help Mr G.

I have no doubt the reason Mr G made a chargeback for the money is because he didn't receive the money from PayPal he was due. I can see Mr G abandoned that chargeback as PayPal sent him letters via a debt collection company as it incorrectly believed Mr G had received a duplicate payment from it and from the chargeback.

I have no doubt Mr G was caused distress and inconvenience in those circumstances and would have spent some time trying to explain to the various parties what had taken place. I appreciate why Mr G was concerned that what took place could have impacted his credit file but can see that there was no actual impact due to Mr G not proceeding with the chargeback.

So, I'm satisfied that I have not seen any evidence that PayPal paid Mr G the refund of £189.99. And can see that PayPal has fairly said it will make that payment. It should now make that payment.

I accept there may be some confusion about what the investigator recommended about compensation. I make clear that I don't think just over £60 compensation is appropriate here for the impact caused to Mr G if that was PayPal's compensation offer. I am satisfied that the issue went on for some months and that Mr G was concerned about letters from a debt collection company. I also think Mr G was without his refunded money for a significant amount of time and would have spent some time speaking to PayPal, the debt collection company and the credit card company about the problem.

I am satisfied PayPal should pay £250 compensation which I think is fair and reasonable. That amount fairly reflects what took place and the length of time the problems continued for.

I appreciate Mr G would like a far greater compensation amount, but I can't see that such an amount is justified in these circumstances.

### **Putting things right**

PayPal should refund the payment of £189.99 and pay Mr G compensation of £250 in addition.

### **My final decision**

My final decision is that I uphold this complaint and order PayPal (Europe) Sarl et Cie SCA to refund the payment of £189.99 to Mr G and pay him £250 compensation in addition.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 26 June 2024.

David Singh  
**Ombudsman**