

## **The complaint**

Mr K complains PayPal UK Ltd won't refund him for an item he returned to a retailer.

## **What happened**

Mr K bought two sets of headphones from an online retailer, and one of the headphones was faulty. Mr K says the two headphones were meant to be used together, so he returned both items, the faulty and working ones.

The online retailer refunded Mr K for one of the items but not the other.

Mr K raised a buyer protection claim with PayPal but it declined this and said Mr K had raised the claim too late. PayPal said Mr K had to raise a significantly not as described (SNAD) claim in 30 days of receiving the item.

Mr K complained to PayPal but it still wouldn't refund him. Mr K brought his complaint to this service and an investigator looked into things, but didn't think Mr K's complaint should be upheld.

The investigator said the buyer protection claim was raised too late, and there was no evidence of an earlier call where Mr K said he was told he had more time to raise the claim. The investigator also thought Mr K's reliance on consumer protection didn't apply to PayPal.

The investigator said PayPal had indicated it would look to resolve things for Mr K if he could provide proof he disputed the single refund with the retailer. But, with the information the investigator had, they didn't think PayPal needed to refund Mr K.

Mr K didn't accept this outcome, and said it was PayPal's failure to locate the call he'd made. Mr K also said it was unfair to introduce a retrospective request for evidence of his communication with the retailer.

Mr K said PayPal's offer to resolve goes against its initial defence of having done nothing wrong, why would it now offer if it hadn't done anything wrong.

And Mr K raised several points based on consumer law. Mr K also referenced a previous decision from this service, around unjust enrichment, and felt the online retailer had unjustly enriched itself by refusing to refund him, so PayPal should refund him.

Mr K asked for an ombudsman to decide things.

## **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.

Mr K made his purchase with the online retailer using PayPal, but not PayPal credit.

By paying with PayPal, Mr K might be able to use the buyer protection it offers. But this protection isn't statutory consumer regulation or law, instead the rules are as an addition to PayPal's user agreement.

In the buyer protection rules, it says, for SNAD claims:

*Dispute must be opened (i) within 30 days of the date of delivery or fulfilment (as applicable) of an order or (ii) within 180 days of the date you sent the payment to the seller, whichever is sooner.*

I think this requirement is quite clear, and I don't think it's hidden away in complex language as Mr K says. And I think it's fair for PayPal to ask for a SNAD claim to be raised quite soon, it should be clear to a buyer if the item is faulty quite soon after delivery.

PayPal's buyer protection isn't designed to be a warranty, to protect against items later developing faults, so having a shorter time limit seems fair and in line with what PayPal's buyer protection is designed to do.

Mr K purchased the items on 3 June 2024, and returned them on 5 July 2024. But Mr K didn't raise his buyer protection claim until 22 November 2024. Although I can't be sure exactly when Mr K received the items, he definitely had them by 5 July 2024.

I think Mr K raised his SNAD claim outside the 30 days from delivery, so I don't think PayPal's buyer protection would cover Mr K in his specific circumstances.

Mr K says he called PayPal within the 30 days from delivery and was told he had 180 days to raise his claim. PayPal's said it can't find any calls from Mr K prior to its refusal of his buyer protection claim.

Mr K says this is PayPal's fault, it should be able to locate the call. But Mr K hasn't sent this service anything to show he made the earlier call.

Where evidence is incomplete or not available, I can make a decision on balance, what do I think is more likely than not. I think PayPal's records of calls is complete. So, and on balance, I'm not persuaded Mr K made a call to PayPal prior to him raising his buyer protection claim.

And because of this, I think Mr K raised his buyer protection claim too late to qualify, and I don't think PayPal prejudiced the claim by telling Mr K he had 180 days to make the claim.

Mr K has raised parts of the Consumer Rights Act, but I think this is only relevant to the retailer's relationship with Mr K, not PayPal's relationship with him. PayPal simply facilitated the payment, and offers its own protection, it didn't sell the item to Mr K.

But PayPal has offered some options to Mr K to resolve things for him. PayPal's said if Mr K can show some evidence he continued to correspond with the retailer, after it only refunded him for one item, it may look to refund him.

I don't think this is PayPal adding an additional requirement to its buyer protection. I think PayPal's been clear Mr K's buyer protection claim failed, and for good reason, but it's trying to help Mr K get his refund.

And I don't think this offer is an admission of guilt from PayPal. I don't think PayPal needs to accept Mr K's buyer protection claim, but it's offering a potential resolution to help Mr K, this

is a gesture of goodwill only, and I don't think it's something PayPal has to offer.

Mr K's also mentioned the Unfair Trading Regulations, but this statute appears to cover the actions of the retailer, not PayPal. If Mr K thinks the online retailer has breached this statute, he may want to get some legal advice on what to do next.

I can see Mr K's strength of feeling on this matter, and I've carefully considered what he's said. But this dispute seems more to be between Mr K and the retailer, not him and PayPal. The retailer owes Mr K the missing refund.

However, if Mr K can provide some proof of continued written (including email) correspondence with the retailer, after it refunded part of his return, I'd expect PayPal to consider this and see if it wants to maintain its previous offer to settle things.

But, as it stands, I don't think PayPal's treated Mr K, or his buyer protection claim, unfairly.

Mr K's said he's experienced considerable distress and inconvenience because of what happened. But it would be unfair of me to ask PayPal to compensate Mr K when I don't think it's done anything wrong.

Mr K also referenced a decision about a PayPal complaint, where an ombudsman decided someone had been unjustly enriched. Mr K says the retailer has been unjustly enriched by keeping his refund.

But Mr K's complaint is against PayPal, not the retailer, so I don't think the previous decision is relevant to Mr K's specific complaint.

Mr K might want to get some further advice about how he might pursue the retailer for his missing refund, but I don't think PayPal needs to do more here.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 4 April 2025.

Chris Russ  
**Ombudsman**