

The complaint

Mr Y complains that PayPal UK Ltd won't refund the cost of goods he paid for using PayPal Credit. He says the goods were not as described.

What happened

In October 2023 Mr Y placed an online order with a retailer, which I'll call "U", for nearly £2,000 worth of clothing and shoes. His order was split into two, one for £996 and one for £957 (plus postage in each case).

The first order was for four black down sweater jackets, two medium and two large. The second order was for a pair of trainers and three black sweater hoodies, one of each in sizes small, medium and large.

Mr Y paid for all the items using PayPal Credit.

In April 2024 Mr Y contacted PayPal to say that the items delivered had not met their description. The shoes had arrived in a box which had been opened and re-sealed and without tags. Mr Y said that indicated they were not new.

Mr Y also said that, instead of two medium black sweater jackets, he had received a large grey jacket and a green jacket. And instead of two large jackets, he had received two small jackets. Mr Y provided photos of the items he says he received. He said that, because he had used PayPal credit to pay for the items, PayPal should reimburse him.

PayPal reviewed what Mr Y had said but said that it would not provide a refund under its voluntary Buyer Protection policy. It noted in particular that he had not been in touch until April 2024, nearly six months after he had bought the goods. But he would have known as soon as they were delivered that they were not what he had ordered. PayPal also noted that Mr Y had placed a further order with U about a week later – which it thought he would not have done if he had been unhappy with the seller's service.

Mr Y referred the matter to this service. Our investigator recommended that PayPal provide a partial refund, covering the cost of the jackets. He thought Mr Y had shown that the wrong items had been delivered. As far as the shoes were concerned, however, he was not persuaded that a damaged box was evidence that they were not new, as advertised. He noted too that, even if PayPal described its own Buyer Protection policy as voluntary, Mr Y was also entitled to bring a claim under section 75 of the Consumer Credit Act 1974 ("section 75"), which was not voluntary.

PayPal did not accept the investigator's recommendation and asked that an ombudsman review the case.

I did that and, because I was minded to reach a different conclusion from that reached by the investigator, I issued a provisional decision, in which I said:

I shall discuss first the interaction between PayPal's Seller Protection policy and section 75. PayPal's policy is, as it notes, a voluntary scheme – meaning that PayPal has some discretion in how it operates the scheme – by which it can help resolve disputes between buyers and sellers. Under the scheme, buyers have six months to lodge a claim.

Section 75 applies where an individual buyer uses a regulated credit agreement to pay for goods or services within certain financial limits. Where a buyer has a claim for breach of contract against a seller in respect of a transaction financed by that credit, he has a like claim against the creditor.

PayPal says that Mr Y did not bring a claim under section 75, so it did not consider any such claim. Indeed, it says it could not do so.

I do not agree that PayPal could not consider a claim under section 75. Indeed, I believe it should have done so. Mr Y had said that he had not received what he had paid for; that is, he was alleging breach of contract on the part of U. The evidence needed to support a section 75 claim was largely the same in this case [as] that needed to support a claim under the Seller Protection policy, and Mr Y had provided it. He did not have to mention [section 75] specifically in order to make a claim.

Be that as it may, the primary issue in this case – whether under section 75 or under PayPal's policy – is whether Mr Y received the goods he had ordered. I have therefore considered that very carefully.

In support of his claim, my Y has provided photographs of items he has received from U. The jackets do not match the descriptions of items he ordered on 16 October 2023. The shoes appear to be in a box which has been opened and re-sealed.

I am not persuaded however that those photographs show that the order of 16 October 2023 was not fulfilled. The information linked to those photographs indicate that they were not taken until April 2024, nearly six months after the items were delivered. Mr Y has not, in my view, adequately explained why it took him that long to raise a claim with PayPal or to ensure he had evidence of it. And I note that he is a regular customer of Y, so it seems to me quite possible that the items he has photographed were part of a different order.

Mr Y has also provided copies of exchanges with U in which he has raised the issue. Again, however, I don't believe he has shown that those exchanges relate to the order which is the subject of this complaint. The copies he has sent do not include a reference or order number. I note as well that, on 30 January 2024, Mr Y told U that he had spoken with PayPal. But he did not contact PayPal about this order until April 2024. Again, therefore, I think it likely that this exchange relates to a different order. If that is correct, it is surprising that Mr Y did not contact U as soon as he received his order, or attempt to return the wrong items under U's own returns policy.

Mr Y did raise his claim within the six month limit set by PayPal. And he was well within the relevant time limit to bring a claim under section 75 – which for practical purposes is six years in most cases. My finding is not therefore that his claim was made outside relevant time limits. Rather, it is that the delay in making the claim or taking other steps to remedy the situation impact upon the credibility of what Mr Y is now saying.

I am not therefore persuaded that Mr Y has shown he did not receive the items he ordered. It follows that it would not be fair to require PayPal to provide any refund.

Mr Y did not accept my provisional conclusions. He said, in summary:

- The photographs were not taken in April 2024, but when the items were received from U. He had sent them to U when he had contacted it through live chat and then email.
- He did not raise the dispute with PayPal until April 2024 because PayPal said it needed confirmation from U that it would not assist. U had stopped communicating with him, so he was unable to provide that.
- He had contacted PayPal before April 2024, but only by telephone.
- He still has the items, which he wants to return and obtain a refund.

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 note that Mr Y did refer to photographs in his exchanges with U at the end of October and in early November 2023. It appears that the information linked to the pictures he sent to PayPal refers to the date they were uploaded, not the date they were taken.

I accept as well that Mr Y's reference to having contacted PayPal may well have been a reference to a telephone conversation, but I am not persuaded that he could not have raised the issue as a dispute sooner than he did, especially after U had stopped all communication with him.

I have considered Mr Y's further submissions very carefully, as well as what he has told us previously. But I remain of the view that he has not demonstrated that he did not receive the items he ordered. As I noted in my provisional decision, Mr Y was a regular customer of U and had placed other orders at around the same time as the order which gave rise to this complaint. This is not a case where all the items which Mr Y has received from U can only be linked to a single purchase.

In the circumstances, I think that PayPal's response to Mr Y's claim was reasonable.

My final decision

For these reasons, my final decision is that I do not uphold Mr Y's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 8 July 2025.

Mike Ingram

Ombudsman