

## **The complaint**

Mr R complains PayPal UK Ltd declined his seller protection claim.

## **What happened**

Mr R entered into a contract to place adverts on videos and streams he was doing online. The advertiser paid Mr R £3,000 to place these adverts for a quarter, with an understanding the agreement would last a year.

Mr R added the adverts for the quarter, then looked to renegotiate the contract, and the advertiser declined this offer. Mr R then broke the contract.

The advertiser had paid via PayPal and raised a buyer protection claim, and PayPal asked Mr R for some information to see if a seller protection claim would be successful.

Mr R sent in links to his videos, with the adverts on, but PayPal declined his claim. PayPal then took back the £3,000 Mr R had been paid and charged a further £24 in dispute fees.

Mr R complained to PayPal and it said the buyer sent in valid evidence, proving the service wasn't provided and it wouldn't grant Mr R an appeal.

Unhappy with this response Mr R brought his complaint to this service. An investigator looked into things and thought Mr R's complaint should be upheld.

The investigator thought the videos Mr R sent in were enough evidence to show the service, advertising, had been provided. The investigator thought PayPal should refund Mr R £3,024.

Mr R accepted the investigator's assessment, but PayPal didn't.

PayPal said Mr R needed to send in compelling evidence the buyer received the services or benefitted from the transaction. PayPal thought Mr R hadn't done this with the videos.

PayPal said the videos weren't compelling as there was no evidence the buyer accessed or benefitted from them. PayPal said it wasn't in a position to assess whether the content of the links is what the buyer wanted.

PayPal said this was because it's a payment processor, and the buyer wasn't buying the links, it was buying advertising. And PayPal thought the links could have been fabricated.

PayPal asked for an ombudsman to decide Mr R's complaint.

## **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 has said, a few times, it's a payment processor so it can't assess whether the

content of the videos is what the buyer wanted. Whilst I agree PayPal is a payment processor, it also offer sellers protection.

And by offering seller protection it should be in a position to assess whether a seller provided the goods or, specifically for Mr R, the services.

PayPal asked Mr R for evidence he provided the services, advertising. Mr R sent in links to his videos with the adverts embedded in them. I think this is persuasive evidence Mr R provided the agreed service to the buyer.

PayPal's quoted from its user agreement to outline what compelling evidence is. But the list says what compelling evidence could include. I don't think the list is definitive around what Mr R has to provide, just examples of what might be accepted by PayPal.

Above the list, PayPal says: *For intangible or digital goods, proof of delivery means compelling evidence to show the item was delivered or the purchase order was fulfilled.*

I think the only definite is a requirement to provide compelling evidence, and although PayPal's mentioned some things Mr R could have sent in, I think I just need to decide if the links to videos Mr R sent in is compelling evidence or not.

PayPal's said there's no evidence the buyer accessed the services, but it never needed to. Mr R was selling advertising, the buyer didn't want to access the videos, the buyer wanted other people to access the videos and see the adverts.

And PayPal says there's no evidence the buyer benefitted from the service. But I don't think this is relevant. The buyer might have got no sales from these adverts, but this wasn't the agreement, the agreement was to post adverts, and I think Mr R did this.

It seems the buyer only raised its claim after Mr R broke the contract. I don't think the contract is too relevant, other than to show Mr R was paid £3,000 for three months of adverts, and I think he's evidenced this.

PayPal's said the adverts in Mr R's videos could have been placed in after the claim was made. Whilst this is a possibility, PayPal also said Mr R could have sent in a headed letter explaining the videos and views he got.

I think a headed letter, essentially a statement from Mr R, is much less persuasive than the videos themselves. And, in any event, PayPal never told Mr R he could send this in.

When PayPal asked for evidence it appears Mr R sent in the videos and PayPal declined the claim, then declined an appeal. I think it would have been better for PayPal to let Mr R know what it might accept when it decided it couldn't accept the links.

I think this would have been fairer because PayPal isn't prescriptive in its description of what compelling evidence is. So Mr R can't have known what was compelling or what wasn't without some guidance from PayPal.

Mr R's since sent in a lot more evidence, showing views of his videos and clicks on the adverts. If PayPal had asked for this at the time of the seller protection claim, I have no doubt Mr R would have sent this in.

Since PayPal's terms say Mr R has to send in compelling evidence the purchase order was fulfilled, and I think he did this when he sent in the videos, I think it was unfair for PayPal to

decline Mr R's seller protection claim.

And because I think it was unfair to decline Mr R's seller protection claim, PayPal should refund Mr R £3,024, the amount it debited when the buyer claim went against Mr R.

### **My final decision**

My final decision is PayPal UK Ltd must pay Mr R £3,024.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 1 October 2025.

Chris Russ  
**Ombudsman**