

The complaint

Mr O is unhappy that PayPal UK Ltd has not refunded him for a product he purchased which he says no longer works.

What happened

In October 2024 Mr O purchased a mobile phone on an auction site for £540. He paid using his PayPal account.

Mr O says the mobile phone worked fine for a few weeks but was then blocked. He took it to the manufacturer and was told the mobile phone had been blocked as it was reported missing. He contacted the seller but said they didn't help him find a solution.

In December 2024 Mr O made a claim under PayPal's Buyer Protection Program. PayPal didn't think Mr O had met the terms of the Program and also said Mr O had made the claim too late and so declined to refund Mr O his money.

Mr O didn't agree with the decision so appealed to PayPal but it also rejected his appeal for the same reasons. Because he didn't agree he referred his complaint to our service.

Our investigator considered the complaint but didn't think PayPal had acted unreasonably. She felt PayPal had reasonably concluded that Mr O hadn't satisfied it that he'd tried to resolve the issue with the seller as required under the Buyer Protection Program. She also felt Mr O hadn't made his claim within the time limit set out in the terms.

Mr O disagreed and asked for the complaint to be escalated. So it has been passed to me to make a final decision.

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 know Mr O will be disappointed, but I agree with our investigators conclusions, and won't be asking PayPal to reconsider his claim. I'll explain why.

When considering a complaint such as this, the starting point is the terms of the user agreement between PayPal and Mr O. This being because it is the basis of the contract between the two parties. On looking at the user agreement I can see that PayPal offer a program called Buyer Protection Program.

The terms and conditions of the Buyer Protection Program are included in this agreement, and say that if a buyer purchases something from a seller who accepts PayPal, the buyer may be eligible for a reimbursement of the full purchase price of an item under the PayPal's Buyer Protection Program.

The user agreement says that PayPal will make a final decision about a claim at its sole discretion.

In this case PayPal didn't think it was fair to refund Mr O for the issues he had with the mobile phone. I think PayPal were entitled to reach this decision. But I will consider whether I agree it was reasonable that they did so in the individual circumstances here.

PayPal's user agreement sets out its Buyer Protection Program. It states "*To be eligible for PayPal Buyer Protection you must meet all of the following requirements:*". These include:

- *Attempt to contact the seller to resolve your issue directly before filing a claim under PayPal Buyer Protection through the Resolution Centre.*
- *Open a dispute in the Resolution Center within the applicable timeframe and follow our online dispute resolution process.*

Mr O did contact the seller, and I have seen his conversations about the issues he was having with the mobile phone. PayPal have said that while Mr O contacted the seller of the item, he hadn't worked with the seller to resolve the issue directly. PayPal have provided us information from the auction site that Mr O purchased the mobile phone.

It shows that while Mr O reached out to the auction site, he hadn't returned the mobile phone as it had asked. It seems Mr O still has the mobile phone in his possession so I'm not satisfied he did all he could to resolve the issue with the seller – had he done so it may have been that the issues could have been resolved at the time.

Mr O was making a claim for the mobile phone for being significantly not as described (SNAD). The user agreement sets out the timeframe that a buyer protection claim needs to be made and this is set at either – within 30 days of the date of delivery or fulfilment (as applicable) of an order or within 180 days of the date you sent the payment to the seller, whichever is sooner.

The information provided indicates Mr O received the mobile phone on 30 October 2024 and accordingly he needed to make the claim within 30 days of this date, but he didn't do so until 47 days following the receipt of the mobile phone. So this was outside the 30 days of delivery as mentioned in the user agreement.

I appreciate Mr O believes the delay was caused because the seller only blocked the mobile phone once the 30 day period had expired but I can't say that this was the responsibility of PayPal. This issue may, I think, need to be against the seller.

PayPal says it won't refund Mr O as he hasn't followed the terms set out in the user agreement. I'm satisfied that PayPal hasn't acted unfairly or been unreasonable in its actions. Because of this, I won't be asking PayPal to refund Mr O.

My final decision

For the reasons mentioned above, I don't uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 5 November 2025.

Jag Dhuphar
Ombudsman