

The complaint

Mrs O complains PayPal UK Ltd won't refund her for buyer protection claims she made.

What happened

Mrs O bought some items and raised two buyer protection claims, and PayPal refused to refund her. Mrs O complained to PayPal, and it said Mrs O had cancelled one of the claims, one claim didn't qualify, and Mrs O still had recourse with the merchant.

Unhappy with this response, Mrs O brought her complaint to this service, and an investigator looked into things. The investigator didn't think Mrs O's complaint should be upheld.

The investigator said they could understand some confusion with PayPal saying Mrs O was reselling items, it wasn't quite as simple as this, but the investigator thought PayPal had acted fairly in saying one of the items was for resale.

And the other claim had been cancelled by Mrs O, and the investigator thought this meant the claim was correctly declined.

Mrs O had mentioned a claim against her being reopened, but the investigator thought they needed to look at the specifics of Mrs O's claim, not what had happened on another claim.

Mrs O didn't agree with this outcome, and said there were four buyer claims, and the investigator had only looked at two.

Mrs O said in addition to the two PayPal responded to, she had one where she couldn't raise the right type of claim and one declined just because PayPal had limited her account.

And Mrs O said she was a personal shopper, buying things on behalf of other people, so this wasn't reselling. Mrs O asked for an ombudsman to decide her 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.

Mrs O wanted me to look at all four of her claims, and I've done this.

One claim was declined by PayPal because Mrs O closed the claim. Mrs O says she's had a buyer reopen a claim against her, but she couldn't reopen her claim, and this is unfair.

It seems Mrs O had a buyer claim raised against her, and she won this claim. The buyer then appears to have raised a chargeback with their bank.

I don't think PayPal reopened the buyer claim for Mrs O's buyer, I think PayPal closed the buyer's claim in Mrs O's favour and then received a different type of claim.

Mrs O cancelled the buyer claim because the seller said they'd refund. It seems this didn't happen, but once the claim was cancelled PayPal won't reopen it, and I think this is a fair thing for it to do.

As PayPal's said in its final response, Mrs O may well have statutory rights against the seller. PayPal's buyer protection is an optional service PayPal provides, there's no legal right to it, and I think PayPal has fairly decided Mrs O's claim.

Mrs O had another claim declined because PayPal said she's reselling items, and resale is listed in PayPal's user agreement as an ineligible transaction for buyer protection.

Mrs O's explained she's a personal shopper, and says she receives money to buy things for other people. I think this is reselling. Mrs O isn't the ultimate customer here, someone else is, so I think PayPal is being fair when it says Mrs O isn't the buyer here.

I can understand the confusion here, as Mrs O isn't reselling the item she's buying, she's already been paid for it, but I still think this is reselling, and PayPal is fair when it says buyer protection doesn't apply here.

PayPal limited, or blocked, Mrs O's PayPal account because she raised so many buyer claims. And this seems to have impacted Mrs O's remaining two claims.

I think limiting the account was a fair decision for PayPal to make, and I think it acted fairly in refusing to consider further buyer claims from Mrs O, once the limitation was in place. And the other two claims appear to have been raised after Mrs O's account was limited.

But, I think even if PayPal had considered these claims, it would have been fair for it to refuse them on the basis of Mrs O's business model, these purchases were very likely for resale, and this makes them ineligible for buyer protection.

I don't think PayPal's treated Mrs O unfairly in declining all her buyer claims, so I won't be asking it to reconsider, or pay, any of the claims.

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 Mrs O to accept or reject my decision before 3 December 2025.

Chris Russ
Ombudsman