

The complaint

Miss T complains PayPal UK Ltd have asked her to pay back money she feels is unfair.

What happened

Miss T sold four concert tickets, but in error sent eight to one buyer and none to the other buyer. The buyer who didn't receive the tickets opened a buyer protection claim, they hadn't received what they paid for.

Miss T realised her mistake and offered to send the tickets if the buyer closed the claim, but the buyer didn't respond, and they were refunded. PayPal took the refund back from Miss T's PayPal account.

Miss T also sold some costumes and received a friends and family payment. The person sending this payment raised a chargeback with their bank and won, so PayPal took this payment back too.

PayPal also charged two £12 fees for the claims raised, and asked Miss T to pay back a little under £350. PayPal also involved debt collectors to try and recover the money.

Unhappy with this, Miss T complained to PayPal and it responded to say Miss T lost both claims and it refunded the buyers from Miss T's PayPal account.

Miss T felt this was unfair and brought her complaint to this service. An investigator looked into things but didn't think Miss T's complaint should be upheld.

The investigator said the buyer of the tickets didn't receive them, so it was fair PayPal refunded them. The other payment was charged back by the sender of the payment, and PayPal didn't decide the refund, the card issuer did.

The investigator said Miss T didn't qualify for seller protection on either refund, so the balance owed looked fair as was PayPal's efforts to recover it.

Miss T said she understood why the tickets refund was fair but felt the other claim was unfair, she was being penalised for accepting a friends and family, but the sender wasn't penalised for sending it. And Miss T said the £12 charges were unfair.

The investigator asked PayPal if it would consider refunding the smaller claim and the £12 fees, but it wouldn't do this. Miss T's complaint was passed to me to decide.

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.

Miss T didn't send the tickets to the first buyer. This means it was reasonable for PayPal to

decide the buyer's claim in their favour. And since Miss T didn't send the tickets, she wouldn't be eligible for seller protection.

I think it's fair PayPal took the money for the tickets back from Miss T.

The second payment was for children's costumes, and the sender tested the purchase with a 1p payment first, then sent the amount asked for. The person owning the sending PayPal account said the 1p was unauthorised.

PayPal decided it wasn't, and sent Miss T an email to say the claim against her was decided in her favour, but this was just the 1p claim. The sender then opened a chargeback with their bank, and Miss T lost this chargeback.

PayPal's said it might reconsider if it has proof of postage, and this seems a fair thing for it to do. Miss T's been asked if she has proof she sent the costumes out, but she doesn't.

And since the money was sent by friends and family, Miss T doesn't have seller protection.

Looking at PayPal's user agreement, I don't think Miss T would qualify for seller protection even if the payment was a commercial one, chargebacks for items not received aren't eligible for seller protection.

I don't think it made a difference the payment was sent by friends and family, I don't think Miss T would qualify for seller protection regardless.

And in PayPal's user agreement it says it can charge £12 for a dispute being raised against Miss T, and PayPal's done this, it's charged £12 for the buyer protection dispute for the tickets and £12 for the chargeback. I think these fees are in line with the user agreement.

PayPal waived the seller fees for the ticket's sale, and this is a fair thing for it to do. But I don't think PayPal needs to waive or refund any of the other negative balance on Miss T's account.

Miss T lost a buyer claim and a chargeback, I think it's fair for PayPal to take this money back from Miss T.

This means I think the negative balance on Miss T's account is fair, and I think PayPal's allowed to try and recover this money owed, including using a debt collector.

Miss T says she wasn't given the opportunity to respond to the claims, but I don't think there's anything Miss T could have said to change the outcome.

Miss T didn't send the tickets, so she couldn't defend this claim.

And Miss T doesn't have proof of postage for the chargeback claim, and I think this would be the only defence to an item not received claim.

I don't think Miss T could have said anything to PayPal to change the outcome of the two claims, even if she was given an opportunity to.

Because of this, I don't think PayPal's treated Miss T unfairly, so I won't be asking it to do anything more to resolve her complaint.

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 Miss T to accept or reject my decision before 12 December 2025.

Chris Russ
Ombudsman