

The complaint

Mr G complains PayPal UK Ltd won't refund him for a phone he bought.

What happened

Mr G bought several phones, and three of them were blocked around six months after he'd bought them.

Mr G couldn't get much response from the supplier, so he raised buyer protection claims for the phones. PayPal refunded one of his claims but declined the other.

Mr G appealed the declined claim, since his other one was successful and PayPal responded to say it had considered two claims, for purchases on 16 and 21 March 2024, but neither qualified for buyer protection.

PayPal said it needed to be made aware of a significantly not as described (SNAD) claim within 30 days, and buyer protection doesn't cover warranties.

Unhappy with this response, Mr G brought his complaint to this service. An investigator looked into things and didn't think Mr G's complaint should be upheld.

Initially the investigator said Mr G needed to bring a SNAD claim within 30 days, but Mr G rightly pointed out the terms in place at time of his claims allowed 180 days.

The investigator then said buyer protection for SNAD claims didn't cover warranties or Mr G's specific circumstances, the phones were working then stopped working.

Mr G disagreed and said he'd been refunded for one phone, so he should be refunded for the other two he'd returned, and the return had been at PayPal's request.

The investigator asked PayPal to consider a refund as Mr G had been left with no phones and no money, and PayPal agreed to refund the other claim Mr G made.

But Mr G only received a refund for one phone, meaning he'd been refunded for two in total, but returned three phones. PayPal said it only ever had two claims raised, for two individual phones, and it had refunded both these claims.

Mr G disagreed and said he'd returned three phones, all part of the same chain of correspondence with the supplier and all part of the same return process. Mr G asked for an ombudsman to decide his 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.

I don't think there's much dispute Mr G returned three phones. Mr G's sent in

correspondence with the supplier and this says three phones were raised as faulty and three were returned.

But I've looked really carefully at what Mr G and PayPal have sent in about the correspondence between them, and can't see Mr G raised three buyer protection claims.

I can only look at Mr G's complaint about PayPal's buyer protection, I can't look at the actions of the supplier. And while I agree Mr G was told, by PayPal, to return the phones this doesn't mean three claims were raised, or one claim covering two phones.

I think it's clear each buyer protection claim covers one purchase. Mr G raised two claims, not one claim for all three phones. I don't think Mr G should have assumed one claim covered two phones, I think he ought to have known each phone needed an individual claim.

PayPal says it refunded the first claim in error. This, in isolation, isn't too important, but when Mr G appealed the second, unrefunded claim, he says:

Difficult to know why one was approved and one wasn't. The phone (singular) I purchased was advertised as unlocked.....

I think this says Mr G was appealing a claim for a single phone. There doesn't appear to be another appeal or another claim, just the two Mr G raised in September 2024, one refunded, apparently in error, and one not refunded at the time, but relating to a single phone.

Following the investigator's message to PayPal, it agreed to refund this second claim, as a gesture of goodwill. And I think this is important, as I don't think Mr G's SNAD claim would have been successful anyway.

PayPal's buyer protection isn't designed to cover every eventuality and it isn't consumer law. Looking at the reasons why a claim might be successful, PayPal lays out several points, I think the most relevant being:

- the item is materially different from the seller's description of it.
- the condition of the item was misrepresented. For example, the item was described as "new" but the item was used.
- the item is missing major parts or features and those facts were not disclosed in the description of the item when you bought it.
- the item is unusable in its received state and was not disclosed as such.

I don't think the phones Mr G bought were materially different, it seems they were the right phones when they were delivered. I don't dispute the phones became materially different when they were blocked, but this is where PayPal's comment about a warranty comes in.

PayPal's buyer protection isn't designed to cover Mr G's phones against wear and tear or defects appearing during use. The protection is there at the point the phones are delivered to Mr G, and the phones were all working when Mr G got them.

It seems the phones were then blocked, nearly six months later, but I don't think this qualifies for buyer protection.

This means I think the condition of the phones, at the point of delivery, was represented properly. The phones were sent to Mr G and were unlocked.

Mr G's said the phones came with a warranty from the supplier, so this could fall under the phones missing a major part. But I don't think buyer protection extends to a supplier's warranty, only the phones themselves.

And the phones were usable in their received state.

I don't think Mr G's buyer protection claims would have been successful, which is why PayPal said it refunded the first phone in error. And why PayPal said its second refund was a gesture of goodwill.

This means even if I thought Mr G had raised a third claim, I don't think it could have been a successful claim, so I don't think I'd be able to tell PayPal to refund Mr G anyway.

But I accept this is an unfortunate position for Mr G to be in, he bought three phones, returned three phones and has only been refunded for two.

But I think this loss lies with the supplier, not PayPal. Mr G's raised the consumer right act, and he may well have statutory rights to obtain a refund for the third phone, but I think this right exists between Mr G and the supplier, not between Mr G and PayPal.

Mr G's said if he doesn't get a refund, he'll look to start legal action, and this is always an option for Mr G. I'd recommend Mr G get some free legal advice about which entity, the supplier or PayPal, he should pursue his claim against.

But I don't think I can fairly ask PayPal to refund Mr G for the third phone, I don't think Mr G made a buyer protection claim for this third phone, and even if I was to think he did, I don't think I could fairly ask PayPal to uphold a buyer protection claim.

Because of this, I won't be telling PayPal to do more to resolve Mr G's 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 Mr G to accept or reject my decision before 1 January 2026.

Chris Russ
Ombudsman