

The complaint

Mr G complains PayPal UK Ltd won't refund him for a purchase he didn't receive.

What happened

Mr G bought something from an overseas company, the seller, and paid with PayPal. Mr G didn't receive the item, but the seller told him it had been delivered.

Mr G didn't have any proof of the delivery, so he asked PayPal to refund him under its buyer protection program. PayPal contacted the seller, and it sent proof of the delivery, so PayPal didn't refund Mr G.

Mr G brought his complaint to this service, said he had doorbell camera footage to show nothing had been delivered. An investigator looked into things and said the seller had sent proof of delivery to PayPal.

Mr G no longer had the doorbell camera footage, and since there was some proof of delivery, his buyer protection claim wouldn't succeed. The investigator didn't think PayPal needed to refund Mr G.

Mr G responded to say the courier didn't have photographic evidence of the delivery, so there was no evidence either way, Mr G couldn't prove the lack of delivery, and the courier couldn't show the order had been delivered.

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.

Mr G's complaint is against PayPal, and he paid using electronic money, there wasn't any credit involved. I don't think PayPal can necessarily be held responsible for the actions of the seller, unless Mr G's claim fits within its buyer protection program.

PayPal's buyer protection program isn't consumer law, it's part of PayPal's user agreement, or terms and conditions.

The program is laid out by PayPal, and has some specific terms.

PayPal's buyer protection says:

Item Not Received claims

*Your claim **will not** qualify for a refund under PayPal Buyer Protection for an Item Not Received claim, if:*

- *You collect the item in person, or arrange for it to be collected on your behalf, including if you use PayPal in a seller's retail point of sale, except for in-person PayPal QR code goods and services transactions*
- *The seller has provided proof of delivery*

*If the seller presents evidence that they delivered the goods to you, **PayPal may find in favour of the seller** for an Item Not Received claim **even if you claim you did not receive the goods.** (my emphasis)*

And PayPal says proof of delivery is:

Online or physical documentation from a shipping company that includes:

- *An online and verifiable tracking number*
- *Date of delivery and 'delivered' status*
- *An address for the recipient that matches the shipping address on the "Transaction Details" page*
- *An address for the recipient showing at least the city/state, city/country, or zip/postal code (or international equivalent)*

Mr G says he didn't receive the order, and I believe this is the case, I don't think Mr G received the order.

But not receiving the order doesn't automatically qualify Mr G for a refund under PayPal's buyer protection program. If the seller can show the item was delivered, Mr G's claim may fail, and I think PayPal's terms, above, lay this out quite clearly.

I've looked at the proof of delivery the seller sent PayPal, and I think it has an online and verifiable tracking number. I also think it has a date of delivery and a delivered status. So, I think the seller's provided the first two points of the proof of delivery.

And the address the tracking says it was shipped to is the same as Mr G's, so I think the seller's provided the last two points of the proof of delivery.

I think PayPal was right to say Mr G's claim didn't qualify for buyer protection, I think the seller's proved proof of delivery in line with PayPal's terms.

Although I can understand Mr G's point about there being no photo of the delivery, PayPal's terms for its buyer protection don't specify this. I think even in the absence of a photo, PayPal can decide the outcome of Mr G's buyer protection claim.

Consumer law differs, and may well say a photo's needed, or the order has to be passed to Mr G directly to be considered delivered.

But I think this consumer law would only apply to the relationship between Mr G and the seller. I don't think the consumer law would apply to PayPal, it didn't sell the item to Mr G, it just facilitated the payment for it.

Mr G may well have statutory consumer rights against the seller, and I'd recommend he take some free legal advice if he wants to explore a claim against the seller direct.

But, looking at what PayPal's done around Mr G's buyer protection claim, I don't think it's made a mistake.

PayPal reviewed Mr G's claim and got information from the seller. I think PayPal's then fairly applied its terms to Mr G's claim and decided it doesn't qualify for a refund.

Because I think PayPal's fairly assessed Mr G's buyer protection claim, I don't think it needs to refund Mr G or do more to resolve his 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 19 February 2026.

Chris Russ
Ombudsman