

complaint

Mr P complains about the service he received from PayPal Sarl & Cie, SCA.

background

Mr P sold an item on an online classified and community website. The payment for the item was received into his PayPal account. But the account holder subsequently asked for a return of the funds – they said the payment had been made fraudulently and not by them.

PayPal says it conducted an investigation and being satisfied that the account holder had not made the payment, it was reversed. This left Mr P's account in a negative balance.

Mr P provided proof of postage of the item to PayPal. He said he had indeed posted it and so should not be liable for the cost. But PayPal said the transaction was exempt from its usual seller protection policy as Mr P had registered the transaction as payment for a service rather than a tangible item. So, Mr P brought his complaint to this service.

Following our involvement, it seems that PayPal reviewed Mr P's complaint and whilst it maintained its stance, it offered to return the money to Mr P as a gesture of goodwill. It told this service that it had valued Mr P's custom over the previous ten years.

But Mr P was not happy. He said he had been threatened with legal action by PayPal with its bullying tactics in chasing this debt. He also submits it had broken the law by passing his details onto a third party.

So, our adjudicator looked into Mr P's complaint for him. But she did not think she could ask PayPal to do anymore.

The matter was then passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint and based on what I have seen, I cannot fairly ask PayPal to do anymore.

I can see that the payment in question has been returned to Mr P – although PayPal maintains its original stance. But it seems to me that PayPal is right – the transaction which was made was not eligible for its seller protection as Mr P had recorded it as a payment for services rather than an item.

This is unfortunate – but it does not mean that PayPal should have been held liable in the circumstances. And yet, PayPal has returned the money to Mr P as a goodwill gesture.

But what Mr P further complains about is the contact he received by PayPal whilst it chased this remaining debt and the fact that the matter had been passed onto a debt recovery agent. PayPal has told this service that it did chase the debt – as it is entitled to do – but this ceased within weeks. As for third party contact, PayPal maintains that all contact in relation to this debt was made by its offices. It confirms that it had not sold the debt on to debt recovery agents.

And I have seen nothing from Mr P which confirms he was contacted by a third party – but I also remind myself that had PayPal taken this action, it is entitled to do so in certain circumstances.

So, based on what I have seen, I think that the offer which has already made to reimburse Mr P is a fair and reasonable one.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 June 2017.

Shazia Ahmed
ombudsman