

The complaint

Mr C complains that PayPal (Europe) Sarl et Cie SCA has declined his claim for a refund.

What happened

Mr C purchased goods using both a bank account and funds held in his PayPal account. In May 2020, he raised a dispute with PayPal under its buyer protection policy and claimed that the goods he'd purchased were significantly not as described. He purchased goods for medical purposes only to find that the goods were damaged, caused skin irritation and violated certain regulations which meant they weren't suitable for sale in the UK.

PayPal declined the claim, because it said that the goods purchased weren't materially different to the seller's description of the goods. Mr C wasn't happy with this and brought his complaint to this service, where one of our investigators considered it. They said that PayPal's protection is discretionary and that its decision here was in line with the relevant terms of the protection scheme it provides. So they didn't think PayPal had done anything wrong.

Mr C didn't agree. He said, in summary, that the goods were clearly sold in violation of relevant regulations and that, while PayPal may have declined the claim because the items weren't significantly not as described – PayPal should refund him because he has statutory rights to a refund because he purchased unlawful goods.

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.

It may help to start by explaining that PayPal isn't responsible for the sale of the goods here. Instead, it facilitated Mr C's purchase of the goods in dispute. But PayPal offers a 'Buyer Protection' scheme that applies when customers don't receive items or receive them, but the item isn't what was ordered. PayPal's agreement then explains what it will consider as eligible and ineligible under the scheme, along with explaining how it will consider a claim like this.

Here, Mr C raised a claim and provided evidence to support this – but PayPal didn't feel that the goods were significantly different to the seller's description. So it declined Mr C's claim – that's a decision it's entitled to make, so I've considered whether it's made that decision fairly.

In doing so, it's not clear exactly how the goods were advertised when Mr C purchased them. All PayPal knew about how the item was described is what the product was, along with the relevant quantities of the goods. Mr C seems to have been provided with the goods and the appropriate quantities – his dispute is about the quality and legality of them.

Given what PayPal's buyer protection policy says, it wouldn't be fair to say that PayPal should refund a purchase for goods if they were described and represented accurately and

Mr C then purchased them on this basis. The absence of any information from the time that the goods were advertised makes it difficult for me to know for certain what Mr C saw before purchasing them. That means I have to decide this matter on the balance of probabilities – that is, what's more likely than not to have happened based on the evidence I have.

While I haven't seen exactly what Mr C would have been shown before purchasing the goods, I have seen how the website currently advertises the same product in different quantities. The product doesn't display any UK writing and only displays text on the bottle in European languages. While I accept that this isn't exactly what Mr C would have seen – it nonetheless shows that the UK website Mr C bought the goods from is selling similar bottles of the goods Mr C bought, showing a label not written in English. So I think it's more likely than not that what Mr C would have seen prior to buying the goods was European languages on the bottles he bought. So I think Mr C was most likely provided with goods that were as described, which is a reason for PayPal to decline the claim he made under its terms.

I realise that Mr C views this reason to decline his claim as irrelevant when compared to his wider concerns - but this is a valid reason for PayPal to decline it. So while I don't doubt the issues he's had with the goods and I've considered all his points about them not being in line with UK regulations – neither of those are reasons that PayPal states it will accept a claim under its policy here. There are no other criteria in PayPal's user agreement that are clearly relevant to Mr C's dispute either.

Mr C has made several points, and conducted detailed research into, the legality of the goods. I've considered all he's said around this – but I don't think that means that PayPal has unfairly declined his claim here, or should refund him. PayPal's position doesn't prejudice Mr C from being able to pursue his claim against the retailer further and some of the legal points he made may be better served by other avenues. This service is set up to be quick and informal and looks at individual complaints against financial firms. Here PayPal's decision just means he can't pursue the dispute through it any further. All of this means that I think PayPal's decision to decline Mr C's claim is a fair one.

I realise this will likely seem contradictory to Mr C based on what we've said on the complaint he raised against his bank. But I think it's important to echo what our investigator has already said – which is that we decide each complaint individually and on its own merits. PayPal has its own scheme, with its own criteria, which it uses to help customers try to resolve disputes, which is different to other financial businesses. It looked at Mr C's claim and decided that it didn't meet the criteria to qualify for a refund. I'm satisfied that it's done so fairly and reasonably for the reasons I've given above.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 December 2023.

James Staples
Ombudsman