

## **The complaint**

Mrs B complains that PayPal Europe Sarl & Cie, SCA ("PayPal") declined her claim under its Buyer Protection policy.

## **What happened**

Mrs B purchased a car through an online auction website in September 2019. She made a payment of £1950 through PayPal.

Mrs B found there were faults with the car that weren't made clear in the advert – and she had to pay to have these repaired. At the end of September 2019, Mrs B opened a dispute through PayPal requesting a partial refund of £760 for the costs of repairing the car.

A few days later PayPal declined Mrs B's claim. It said motor vehicles are not covered under its Buyer Protection policy and that this is made clear in the User Agreement. But it did offer Mrs B £350 as a token of goodwill towards her repair costs.

Our investigator didn't think the complaint should be upheld. He said that PayPal's User Agreement was clear and that its Buyer Protection policy didn't cover motor vehicles – so it hadn't made a mistake in declining this claim. He said that he wouldn't have awarded any compensation as he didn't think PayPal had made a mistake so thought the offer of £350 was fair in the circumstances.

Mrs B didn't agree so the complaint has been 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. Having done so, I've reached the same outcome as our investigator and for the same reasons.

PayPal's User agreement states that it may reimburse its users for problems with purchases under its Buyer Protection policy under the following conditions:

*"You may be reimbursed under PayPal's Buyer Protection for a problem with a purchase if...your purchase is an eligible purchase. Purchases for most goods and services are eligible...except for the following transactions:*

*3. purchases of vehicles (including, without, limitation, motor vehicles, motorcycles, caravans, aircrafts and boats)"*

PayPal has declined this claim as it says cars aren't covered under its Buyer Protection policy and from the terms outlined in the user agreement, I think that's correct. So while I realise Mrs B will be disappointed that her costs won't be reimbursed under PayPal's Buyer Protection policy, I don't think PayPal has done anything wrong in declining her claim on this occasion.

Mrs B has recently told us that the online auction website confirmed that PayPal should have covered this claim. But that website and PayPal are separate entities and I can't reasonably hold PayPal responsible for incorrect information given about its User Agreement by a separate company.

PayPal has offered Mrs B £350 towards the cost of repairing the vehicle as a gesture of goodwill. Like the investigator, I wouldn't have asked PayPal to make any payment as I don't think its done anything wrong in declining the claim. If Mrs B now wants to accept PayPal's offer she will need to contact it directly to find out if it is still available.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 24 April 2020.

Sara Falzon  
**Ombudsman**