

Resolving disputes, claims, and chargebacks.

Occasionally, something goes wrong with an order.
We're here to help you if it does.





Potential situations.

1 Disputes and claims

If a customer paid for an item but didn't receive it or received an item that's significantly different from the description, they may open a dispute in the Resolution Centre.

If a dispute can't be resolved, either party can escalate it to a claim within 20 days. PayPal becomes directly involved and will make a decision using the information that's provided.

2 Chargebacks

Buyers may take action by asking their card issuer to reverse the charge (card companies call this a "chargeback"). A buyer asks their bank for a refund and does not involve the seller.

Disputes and chargebacks have the same net effect – a hold is placed on the sale's funds – but the resolution processes are slightly different. To help prevent these issues from happening, read our guide to helping avoid disputes and chargebacks. If a customer files a dispute or chargeback, here's what you need to do:

1

Disputes and claims

Resolving disputes.

In most cases, the easiest way to settle a dispute is for buyers and sellers to connect, work together to figure out what happened and come to an agreeable solution. Watch our video to see how to resolve a dispute.

Tips on successfully communicating with customers:

- **Presume good faith**
Begin conversations with an open mind and listen patiently to what buyers have to say. Many problems result from miscommunication and simple human error.
- **Be constructive**
Make it clear to buyers that you want to find a resolution – customers usually want the same thing. Showing mutual respect can lead to a more productive conversation.

- **Stay focused on solutions**
Even if you grow impatient, resist the temptation to give customers a piece of your mind. It only makes coming to an agreement harder.
- **Think long term**
Not all battles are worth fighting. Give a buyer a break today and you may open the door to more opportunities tomorrow.
- **Anticipate disputes**
The Resolution Centre allows you to enter messages that all your buyers will see before they can open a dispute. For example, if you post a message that says “All shipments out of Sheffield are currently delayed due to the blizzard”, you give your buyer an opportunity to understand the situation before filing a dispute.

PayPal dispute resolution process.

When buyers and sellers can't come to an agreement, we can help them arrive at an agreeable solution. Once a buyer initiates the dispute resolution process, we'll hold the money from the transaction until the dispute is resolved. If buyer and seller can't reach an agreement, the dispute can be escalated to a claim. At that point, we'll step in to determine the outcome of the issue.

Here's how it works:

1 Dispute notification

We'll notify you by email if a buyer opens a dispute. Then we'll place a temporary hold on all funds in the transaction.

2 Your response

Review the dispute and reply with your explanation of what happened. Respond quickly, and include suggestions on how to resolve the dispute.

3 Working it out

Once a dispute has been opened, you and your buyer have 20 days to come up with a resolution. In most cases, this is all that's needed. The buyer closes the dispute once you've worked things out.

Escalating a dispute to a claim

Whether you're a seller or a buyer, claims allow PayPal to investigate the case and determine an outcome. Buyers have 20 days from the time they open a dispute to file a claim. If a buyer files a claim against you, we may ask you to provide some of the following information:

- A third party shipping receipt, tracking number, or signature confirmation to prove delivery of an item.
- Proof that you delivered a replacement or issued a refund if the buyer received their order but there was a problem with it
- A signed contract or other proof to show that services were provided
- If you sold a digital good, we may request evidence that the buyer downloaded your product

2

Chargebacks

Resolving chargebacks.

We don't initiate or handle chargebacks – the buyer's card issuer does, so that process follows the issuer's policies. We also don't judge the validity of a chargeback; that's the responsibility of the card issuer. Our role is simply to collect information about the transaction and help you work with the card company to resolve the chargeback.

Here's a quick overview of the chargeback process:

1

The buyer requests a chargeback from their credit card company.

2

The card company notifies our merchant bank and withdraws the funds from PayPal.

3

We place a hold on your (the seller's) funds related to the chargeback.

4

We immediately notify you via email and request information that could help to dispute the chargeback.

We may ask you to provide the information needed to help you resolve the chargeback. As long as you are eligible for PayPal Seller Protection, we'll cover your loss – even if you lose the chargeback. There are a few general timeframes you should be familiar with:

- Buyers can file chargebacks 120 days or more after an order's been placed.
- If you receive a chargeback, you'll have 10 days to answer it.
- Chargebacks are usually resolved in a few weeks, but they can take 75 days or more in some instances.
- It takes us 30 days to dispute a chargeback.

What to do if you receive a chargeback.

If you've been notified of a chargeback, we'll help you sort it out. Our team of chargeback specialists can help you build a case to take to the credit card company – assuming you have good reason to dispute it. We'll provide you with all the relevant transaction details and walk you through the steps for submitting information to the card company.

1

Log in to your account, go to the Resolution Centre and respond to the chargeback notice (or check the status of an existing one).

2

Provide us with the information relating to the chargeback, including all transaction records (such as proof of shipment).

3

The chargeback specialist will then dispute the chargeback on your behalf and try to recover your funds from the buyer's credit card company.

4

If the card company decides in your favour, the buyer will be charged for the transaction and you'll get your money back. If the decision is in favour of the buyer, the transaction will be cancelled and the buyer will receive a full refund.

