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# PayPal Business Debit Mastercard® Cardholder Agreement

Last Update: 1 November 2023

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## 1. Contracting Party and Scope of this Agreement

This Agreement ("Agreement") constitutes a legal agreement between you and PayPal UK Ltd ("we" or "PayPal").

It governs the issuance and the use of your **PayPal Business Debit Mastercard** (the "Card" or "Cards"). The Agreement supplements the PayPal User Agreement that governs your use of PayPal's services in general.

If there is any conflict between this Agreement and the PayPal User Agreement, this Agreement shall prevail.

## 2. Eligibility

To be eligible for the Card you need to have a UK PayPal Business account. We may reject applications for Cards at our sole discretion.

## 3. Receipt and Activation of Your Card

Upon successful application the Card will be posted to you. You agree to sign the back of your Card immediately upon receipt. You must activate your Card before it can be used. You may activate the Card by calling our customer services team +44 (0) 20 8334 6259 (call charges may apply) or online by logging into your PayPal account and following the activation instructions as outlined on our website.

## 4. Additional Cards

We may allow you to apply for additional Cards at our sole discretion. We will indicate on our website if additional Cards will be available. We reserve the right to reject any applications for additional Cards at our discretion.

## 5. Possible Uses

Your Card can be used at merchants accepting Mastercard. You can use the Card to make purchases in-store, via the Internet and over the phone. The Card can be used for cash withdrawals at ATMs bearing the Mastercard Acceptance Mark.

You may only use your Card for business expenses and you must not use the Card for any payments which are personal and not connected to your business.

## 6. Daily Limits on Usage

Daily limits apply to the use of your Card. These limits may vary (lower or higher) depending on our experience with you. As a guide your Card could be subject to the following standard daily limits :

Cash withdrawals	GBP 350
Payments with your Card	GBP 6000

All daily limits are subject to periodic review and are subject to change based on PayPal account history, activity, and other factors. We will notify you of changes to your daily limits using the notifications measures agreed in the [User Agreement](#). PayPal retains sole discretion to apply and change these limits. You may log into your PayPal [account](#) to see your specific limits in effect.

## 7. Authorisation of Transactions

You can authorise payments with your Card by:

- tapping your Card against a contactless enabled reader;
- inserting the Card chip and entering your Personal Identification Number (PIN);
- entering your Card details manually at the merchant's point of sale (including website);
- requesting a merchant to initiate a transaction on the phone providing your Card number, expiry date, security code (CVC); or
- swiping the magnetic stripe and signing the transaction receipt.

8. Your Payment Obligation

Transactions made with the Card are funded solely by the GBP balance in your PayPal account. You need to have sufficient GBP balance in your PayPal account to cover the amount of the Card transaction (and any transaction fees payable to us).

You can choose to enable or disable an automatic funding arrangement (we may call this “automatic top up”) in your PayPal account settings.

If you enable automatic top up, to the extent that there is no or insufficient balance available in your PayPal account to cover a Card transaction (and any transaction fees payable to us), we may automatically use your bank account or debit card as the funding source to obtain sufficient balance in accordance with the terms of the PayPal User Agreement. The amount drawn from your bank account or via your debit card and added to the balance of your PayPal account will be in GBP and will be rounded up to the nearest multiple of GBP 5.

An example: If you do not have any PayPal balance, but would like to pay GBP 26.50 to a merchant, an amount of GBP 30 will be drawn from your bank account and credited in your PayPal account. GBP 26.50 will be used for the Card payment. You can spend the remaining PayPal balance of GBP 3.50 on other purchases.

We will prioritise the pre-existing balance in your PayPal account for a payment with PayPal and only draw an amount from your bank account or via your debit card where the balance is insufficient.

If you:

- do not enable automatic top up;
- disable automatic top up; or
- remove your linked bank account or debit card from your PayPal account,

you will not be able to use automatic top up to obtain sufficient balance in your PayPal account to fund your Card transaction in the event that the pre-existing balance in your PayPal account is insufficient. Any Card transaction that exceeds the balance in your PayPal account will be declined.

9. Cash Withdrawals

The Card enables you to withdraw cash from the GBP balance on your PayPal account at:

- an Automated Teller Machine ("**Withdrawal at an ATM**"); and
- a point of sale provided the merchant offers this possibility and subject, among other requirements, to limits which PayPal may set ("**Cash at Checkout**").

You may withdraw cash in an amount up to your daily limit (see section 6 of this Agreement).

**Withdrawal at an ATM:** You may carry out a Withdrawal at an ATM from your preexisting balance on your PayPal account only. Before making a Withdrawal at an ATM you must ensure you have sufficient funds available to cover both the withdrawal amount and any fees. You may not use your Card to carry out a Withdrawal at an ATM funded by the bank account or debit card linked to your PayPal account under the automatic funding arrangement set out in Section 8. If you do not have a pre-existing balance on your PayPal account, you will not be able to carry out a Withdrawal at an ATM until you have topped up your PayPal account.

You may withdraw up to your daily limit when you make a Withdrawal at an ATM.

**Cash at Checkout:** You may use your bank account or debit card under the automatic funding arrangement pursuant to section 8 to obtain sufficient balance on your PayPal account for a withdrawal of Cash at Checkout.

You may withdraw no more than GBP 100.00 per purchase when you withdraw Cash at Checkout.

10. Transactions in currencies other than GBP

It is possible to maintain balances in different currencies in your PayPal account –see the PayPal User Agreement for more details. However, pre-existing balances in currencies other than GBP will not be used to fulfil your payment obligation pursuant to section 8. We will only use your GBP balance (see section 8 for how we obtain sufficient GBP balance).

In case the payment or cash withdrawal with your Card involves a currency conversion, Mastercard’s foreign exchange rates will apply. The exchange rate that is applied will usually be the rate on the date that the transaction was authorized. However, in certain circumstances, the exchange rate that is applied may be the rate on the date when the transaction is processed by Mastercard’s systems, which may be different to the exchange rate on the date of the transaction. PayPal does not charge currency conversion fees. Please see the [Mastercard Currency Conversion Calculator](#) for Mastercard’s rates. Currency conversion charges as a percentage mark-up over reference rates issued by the European Central Bank can be found [here](#).

Example: You have a pre-existing US dollar balance in your PayPal account. If you make a payment with your Card to a merchant in the US, we will not use this US dollar balance. We will only use your GBP balance. We then convert the required amount in GBP into US dollars to be used for the Card transaction.

PayPal is not obliged to send you messages pursuant to art. 3a (5) Cross-Border Fee Regulation (Regulation (EC) No 924/2009) or pursuant to equivalent rules that are applicable in the UK. This means that we will not send you messages setting out the total currency conversion charges as a percentage mark-up over reference rates issued by the European Central Bank. You should make sure to check the links above to understand the rates that are applied.

**11. Fees**

**a. Cash withdrawal fee**

You agree to pay a **fee** for each cash withdrawal. This fee applies to cash withdrawals at an ATM (inside and outside the UK). The ATM provider may charge additional fees.

**b. No transaction fees**

We do **not** charge any fees for payments made using your Card.

In particular, we do not charge a cross-border fee nor a currency conversion fee for payments with your Card.

**c. Statements**

We will normally provide an electronic statement each month that you make a payment using the Card.

**12. Cashback Program**

**a. Cashback**

PayPal provides 0.5% cashback on the Net Amount of Eligible Payments with your Card. Cashback amounts earned from Eligible Payments will be credited to the balance of your PayPal account as weekly payouts.

From time to time, we might increase the cashback rate (for example to 1%) for a limited period of time. We will announce such promotional campaigns with an increased cashback rate (including eligibility criteria) in email and/or on our website to you.

PayPal uses a “round half up” approach to calculate reward amounts for individual payments. Cashback calculation examples:

- GBP 10.00 purchase transaction => GBP 0.05 cashback
- GBP 10.99 purchase transaction => GBP 0.05 cashback
- GBP 11.00 purchase transaction => GBP 0.06 cashback

**Net Amount** means the payment amount less the PayPal fees applicable to the payment.

**Eligible Payments** are all transactions using your Card except for:

- payments which are reversed (such as returns) or refunded;
- returns and refunds;
- fraudulent transaction or other transactions in violation of the PayPal User Agreement, PayPal’s Acceptable Use Policy or this Agreement;
- withdrawals (Withdrawals at an ATM and Cash at Checkout);
- any form of payment to governmental bodies or agencies and tax authorities, including but not limited to payments to HMRC and any tax related payments;
- payment for purchases of securities, stocks, funds, savings and investments or any other form of tradable commodities; and
- payments to any other financial institution, including but not limited to the payment of loans, credit card payments, purchase of financial products and issuance of cheques.

**b. Enrollment and Availability of the Cashback Program**

Your new Card and replacement Cards (lost or stolen use case) are auto-enrolled to the Cashback Program.

**c. PayPal Account Closure**

You will not receive cashback under this section 12 for Eligible Payments completed in the calendar month in which your PayPal account is closed.

13. Execution Times

Payments using the Card are initiated by the payee, namely they are initiated by the merchant who you are paying using the Card.

If we receive the payment order on a business day after 4 pm CET, then the payment order is deemed to be received on the next business day. Execution times (as defined below) only start running at the point of time that a payment order is deemed to be received.

After PayPal receives the payment order PayPal is obliged to ensure that the transaction amount is received by the payment service provider of the person who you are making a payment to at the latest as follows:

Type of payment	Execution times
Payments in Sterling within the United Kingdom	No longer than one business day
Payments in Euro within the European Economic Area	No longer than one business day
Payments in a different currency of the European Economic Area other than Sterling or Euro within the United Kingdom	No longer than four business days
Payments outside of the United Kingdom or European Economic Area regardless of the currency	The payment is executed as soon as possible.

You cannot cancel payments which you have already authorised and to which the payee already consented to. You may be able to cancel transactions that you have authorised for a future date (including recurring transactions) by contacting the Merchant before the date on which the payment is due to be made, or by contacting us.

14. Authorisation Holds

When you use your Card to purchase goods or services or to obtain cash from a merchant, the merchant may attempt to obtain preauthorisation from us for the transaction. If the merchant makes such a request, we place a hold on your PayPal balance for up to thirty (30) days for the amount of the preauthorisation request (which may vary in some cases from the amount of the actual purchase, depending on the merchant). This hold may affect the availability of funds in your PayPal account. If you authorise a transaction and then fail to make a purchase of that item as planned, the approval may result in a hold for that amount of funds for up to thirty (30) days. Where you authorise a transaction and the preauthorisation is subsequently subject to an adjustment, that will result in a hold for the preauthorised amount for up to another thirty (30) days from the adjustment date. We will not be responsible if any transactions are not completed because of the hold.

If the preauthorisation request varies from the amount of the actual transaction, we will debit the actual transaction amount from your PayPal balance.

15. Card Expiry

Upon expiry of your Card, PayPal will usually automatically send you a replacement Card. Please contact us if you have not received a replacement Card upon expiry of your Card, but would like to receive a new Card: +44 (0) 20 8334 6202 (call charges may apply).

16. Your Obligations: Protecting Your Card and PIN

You are obliged to comply with the following obligations:

- a. Take all reasonable precautions to protect your Card, your PayPal account and PIN from unauthorised access by a third party. If you lose your Card or if your Card is stolen, you must inform us immediately.
- b. You are **not** allowed to
  - enable a third party to use your Card;
  - share your PayPal password or PIN with any other person (except for licensed payment initiation or payment account services);
  - write down your PIN on your Card or any material stored with or near your Card.

17. Notification Requirement in case of Unauthorised Use of your Card

Should you notice or suspect that you have lost your Card or other device or notice or suspect an unauthorised use of your Card, you must notify us immediately.

To this end, you can log in to your PayPal account and report the Card as stolen, contact PayPal’s customer service or call: +44 (0) 20 8334 6202 (call charges may apply).

18. PayPal’s liability for unauthorised transactions



1. In the event of an unauthorised payment with your Card where the payment has already been debited from your PayPal account, PayPal is required to refund the transaction amount to your PayPal account. If the amount has not yet been debited, PayPal will not charge your PayPal account.
2. We will not refund an authorised transaction under Section 18 (1) if you are liable pursuant to section 19 of this Agreement (see below).
3. You must inform PayPal about any unauthorised transaction within 13 months of the transaction taking place. We will not refund an authorised transaction under Section 18 (1) if you do not inform us within 13 months of the transaction taking place.

## **19. Your liability in case of unauthorised transactions**

1. You are liable to PayPal for the reimbursement of all damages incurred by PayPal as a result of the unauthorised payments with your Card if
  - You acted fraudulently, or
  - You violated one of the obligations pursuant to sections 16 (Protecting Your Card and PIN) and 17 (Notification Requirement in case of Unauthorised Use of your Card) of this Agreement intentionally or as a result of gross negligence, and if this violation enabled the unauthorised transaction.
2. Section 19 (1) does not apply and you will not be liable if you could not notify PayPal pursuant to section 17 because PayPal did not provide you with a way to notify us of such unauthorised use.
3. Section 19 (1) does not apply if there was a legal obligation to apply strong customer authentication (i.e. two-factor authentication) but no strong customer authentication was performed on the unauthorised transaction.
4. As soon as you have fulfilled your obligation pursuant to section 17, you are not liable for damages incurred by PayPal after your notification. This does not apply if you acted fraudulently.

## **20. Refunds for Card transactions initiated by or through the payee**

1. You are entitled to a refund from PayPal of an authorised Card payment which was initiated by or through a payee and which has already been executed if all of the following conditions are met:
  - a. The authorisation did not specify the exact amount of the Card payment when the authorisation was made.
  - b. The amount of the Card payment exceeded the amount that you could reasonably have expected taking into account previous spending pattern and relevant circumstances of the case.
  - c. You have requested the refund within a period of eight weeks from the date on which the funds were debited in your PayPal account.

You shall bear the burden of proving that such conditions are met. The refund will consist of the full amount of the executed Card payment.

2. You do not have a right to a refund where:
  - a. You have given consent to execute the Card payment directly to PayPal – this means where you have told us expressly to make the Card payment. An example of this might be where you have entered into a billing agreement with us to pay for recurring subscriptions.
  - b. where information on the future Card payment was provided to you for at least four weeks before the due date by PayPal or by the payee; and
  - c. if the payment in question was higher than you reasonably expected to pay due to a change in any currency exchange rate.
3. Within ten business days of receiving a request for a refund, PayPal will either refund the full amount of the payment transaction or provide a justification for refusing the refund.

## **21. Actions we may take in case of violations of PayPal's terms and PayPal's right to restrict the use of the Card**

We may block, restrict, suspend or terminate your Card at any time where we reasonably believe that your continued use of the Card has the potential to cause significant harm to PayPal or other users, or if we are required to do so to meet a legal obligation. We may need to do this immediately and without notice.

We may suspend or permanently suspend your use of your Card,

- if you violate the PayPal User Agreement, in particular by engaging in the Restricted Activities set out in the PayPal User Agreement;
- or violate this Agreement;

Please see the sections relating to Restricted Activities and the actions which PayPal may take set out in the PayPal User Agreement as they also apply to transactions with your Card.

**22. Property of the Cards**

The Cards remain our property. We may ask you to return or destroy your Card (for example when this Agreement is terminated by you or us).

**23. No Assignment**

Your Card and your obligations under this Agreement may not be assigned.

**24. Changes to this Agreement**

We may change this Agreement with two months’ prior notice subject to the conditions in the PayPal User Agreement.

**25. Your Right to Terminate**

You may terminate this Agreement, and thereby cancel your Card, at any time. You may contact our customer services team to cancel your Card by calling +44 (0) 20 8334 6202 (call charges may apply) or logging into your PayPal account.

**26. PayPal’s Right to Terminate**

In addition to any other rights we may have to restrict, suspend or terminate your Card under this Agreement, we may terminate this Agreement with two months’ prior notice at any time for any reason. We may terminate this agreement immediately at any time according to our termination rights set out in the PayPal User Agreement.

**27. Privacy**

PayPal’s Privacy Statement also applies to the use of your Card.

**28. Disputes**

For any disputes or issues with PayPal or this service, please refer to the Resolving Problems section in the [PayPal User Agreement](#).

In particular, if we fail to resolve your complaint to your satisfaction you may refer your complaint to the Financial Ombudsman Service (FOS). The FOS is a free, independent service, which might be able to settle a complaint between you and us. You may obtain further information regarding the FOS and contact the FOS at <https://www.financial-ombudsman.org.uk/>.

You can also make a complaint to the Financial Conduct Authority. Information on contacting the Financial Conduct Authority can be found at <https://www.fca.org.uk/contact>.

**29. Additional Terms in the PayPal User Agreement**

In addition to this Agreement, your use of the Card is governed by the [PayPal User Agreement](#) (including the [PayPal Acceptable Use Policy](#)). You will for example find provisions and information about the applicable law, jurisdiction, arbitration, limitations of liability and language of the contract.

**Status disclosure**

PayPal UK Ltd is authorised and regulated by the Financial Conduct Authority (FCA) as an electronic money institution under the Electronic Money Regulations 2011 for the issuance of electronic money (firm reference number 994790), in relation to its regulated consumer credit activities under the Financial Services and Markets Act 2000 (firm reference number 996405) and for the provision of Cryptocurrency services under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (firm reference number 1000741). Some of PayPal UK Ltd’s products including PayPal Pay in 3 and PayPal Working Capital are not regulated by the FCA. PayPal UK Ltd’s company number is 14741686 and its registered address is Whittaker House, Whittaker Avenue, Richmond–Upon–Thames, Surrey, United Kingdom, TW9 1EH.