

PayPal Consumer Debit Mastercard Cardholder Agreement

Last updated on 28 October 2025

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 Consumer Debit Mastercard, which can be available in digital representation and/or physical form (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.

Eligibility

To be eligible for the Card you need to have a UK personal PayPal account and a linked funding source to your personal PayPal account. We may reject applications for Cards at our sole discretion.

Receipt and Activation of Your Card

Upon successful application, the Card will be immediately available in your personal PayPal account. If you have requested it, a physical version of the Card will be subsequently posted to you. You must activate your Card before it can be used. You may activate the Card by calling our [Customer Services team](#) (call charges may apply) or by logging into your personal PayPal account and following the activation instructions provided to you and as outlined on our website.

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.

Where supported by PayPal, you can also add your Card to a third party digital wallet to make transactions and you can use your mobile phone or other mobile device ("**Device**") which enables the use of digital cards, provided your Device has a supported operating system as published on our website.

Online Payments Using PayPal Checkout

When you make a payment online using a PayPal checkout solution, your Card may be displayed as an available payment method. If you select that option, the transaction will be processed directly by PayPal by debiting the purchase amount from your PayPal balance without processing the transaction as a Card transaction; such transactions will be governed by the terms of the PayPal User Agreement. Not all Mastercard debit card benefits may apply when you use this payment method for purchases you make using your PayPal balance in PayPal checkout.

No PayPal Buyer Protection for In-Store Transactions with Your Card

In-store payments with your Card are not eligible for PayPal Buyer Protection. Only online payments with your Card, or with your PayPal balance through PayPal checkout (as described in the 'Online Payments Using PayPal Checkout' section above), are eligible for PayPal Buyer Protection subject to the conditions set out in the [PayPal Buyer Protection Program](#).

Limits on Usage

You are required to use Your Card only within certain daily limits on usage. You can see the daily limits for payments and cash withdrawals when logging into your PayPal account.

Authorisation of Transactions

Each time you use the Card or Card details (such as the card number) to make a payment, you will need to authorise it in the manner prescribed. No one other than the person named on the Card may use the Card. When you authorise a payment, we are responsible for making sure it is correctly made. We will assume a transaction has been authorised as soon as the Card or relevant Card details, PIN, biometric data or other security details have been used.

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) or otherwise authenticating the payment as instructed;
- entering your Card details manually at the merchant's point of sale (including website);
- giving your Card details to the merchant in order to set up regular automatic payments;
- requesting the 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.

PayPal may reject a Card payment if you have not authorised the payment with your PIN, biometric data or other security details.

If you have arranged for a payment to be made at a future date (e.g. if you have set up regular automatic payments as above), you can cancel those payments by contacting us before the end of the business day before the next payment is due to be made. You should also contact the merchant to tell them you have cancelled the payment.

Your Payment Obligation

When you use your Card for a transaction, i.e. give a payment order, you are obliged to reimburse the transaction amount to us. To this end, you authorise us to debit the respective amount from your PayPal account balance.

To the extent that there is insufficient balance available to fund the Card transaction, you authorise PayPal to debit the amount from your linked funding source (i.e. either your bank account via direct debit or your debit card), to credit this amount to your personal PayPal account

and to use it to make the Card transaction. This means we will prioritise using your balance on the PayPal account to fund a payment made using your Card and only draw the amount from your bank account via direct debit or your debit card to the extent that the balance on your PayPal account is insufficient. You are obliged to reimburse us for any transaction amount even if you have exceeded your daily limits or have withdrawn your direct debit mandate or debit card.

Cash Withdrawals

The Card enables you to withdraw cash from the GBP balance on your personal 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 the "**Limits on Usage**" section of this Agreement).

Withdrawal at an ATM: You may carry out a Withdrawal at an ATM from your preexisting balance on your personal 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. If you do not have a pre-existing balance on your personal PayPal account, you will not be able to carry out a Withdrawal at an ATM until you have topped up your personal PayPal account.

Transactions in Currencies other than GBP

It is possible to maintain balances in different currencies other than GBP in your personal 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 the "**Your Payment Obligation**" section. We will only use your GBP balance (see the "**Your Payment Obligation**" section for how we obtain sufficient GBP balance).

If you use your Card for a payment or cash withdrawal that involves a currency conversion (excluding purchases made online through PayPal checkout where your Card is selected, resulting in use of your PayPal balance), 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 authorised. 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. If you make a purchase through PayPal checkout and select your Card (resulting in the use of your PayPal balance), and the transaction is in a currency different from the original currency of your PayPal account, PayPal will perform any currency conversion in accordance with the PayPal User Agreement.

Fees

Cash withdrawal fee

We **do not** charge any fees for a cash withdrawal, whether a Withdrawal at an ATM or Cash at Checkout. The ATM provider may charge additional fees.

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.

Transaction Information and Monthly Statement

We may inform you by email regarding your Card and payment transactions made with your Card. Your transaction history will also be updated and made available to you at any time by logging into your PayPal account. You can also access a downloadable report showing all your payment transactions including those made using your Card from your PayPal account.

Authorisation Holds

A merchant may obtain a pre-authorisation for a transaction. In this case, the transaction will first be authorised and then debited to your PayPal account at a later point in time. We will place a hold on your PayPal account balance at the time of authorisation up to the authorised transaction amount and against your usage limits.

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

Card Expiry

Upon expiry of your Card, PayPal will usually automatically issue a new Card for you. Please contact the [Customer Services team](#) if upon expiry your Card has not been renewed and you wish to renew it.

Your Obligations: Protecting Your Card and PIN

You are obliged to comply with the following obligations:

- Take all reasonable precautions to protect your Card, Card details, PIN and other security details, as well as your Device and your personal PayPal account from unauthorised access by a third party. If you lose your Card or if your Card is stolen, you must inform us immediately. To report your Card lost or stolen, you can contact us by [phone](#), use the PayPal App, or log in to your personal PayPal account online.
- You are not allowed to:
 - enable a third party to use your Card;
 - share your PayPal password, PIN or other security details with any other person (except for licensed payment initiation or payment account services);
 - share your passcode or other security credentials for unlocking your Device with any other person; or
 - write down your PIN on your Card or any material stored with or near your Card.
- Biometric elements such as your fingerprint may only be used for authentication on your own Device and no other person's biometric elements may be stored on the same Device. If you have a new Device, make sure you delete the tokenised version of your Card (the digital representation of your Card you uploaded to a third party digital wallet) on your previous Device which you do not use anymore. You may use your Card only on your own Devices, and

you must not allow your Card to be added to a third party digital wallet on someone else's Device.

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 personal PayPal account and report the Card as stolen or contact PayPal's [Customer Services team](#) (call charges may apply).

PayPal's Liability for Unauthorised Transactions

In the event of an unauthorised payment with your Card where the payment has already been debited from your personal PayPal account, PayPal is required to refund the transaction amount to your personal PayPal account. If the amount has not yet been debited, PayPal will not charge your personal PayPal account.

We will not refund an authorised transaction under this section if you are liable pursuant to the **"Your Liability in case of Unauthorised Transactions"** section of this Agreement (see below).

You must inform PayPal about any unauthorised transaction within 13 months of the transaction taking place. We will not refund an authorised transaction under this section if you do not inform us within 13 months of the transaction taking place.

Your Liability in Case of Unauthorised Transactions

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 the **"Protecting Your Card and PIN"** section, or the **"Notification Requirement in case of Unauthorised Use of your Card"** section of this Agreement, intentionally or as a result of gross negligence, and if this violation enabled the unauthorised transaction.

This section does not apply and you will not be liable if you could not notify PayPal pursuant to the **"PayPal's Liability for Unauthorised Transactions"** section because PayPal did not provide you with a way to notify us of such unauthorised use.

This section 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.

As soon as you have fulfilled your obligation pursuant to the **"Notification Requirement in case of Unauthorised Use of your Card"** section, you are not liable for damages incurred by PayPal after your notification. This does not apply if you acted fraudulently.

Refunds for Card Transactions Initiated by or through the Payee

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:

- the authorisation did not specify the exact amount of the Card payment when the authorisation was made;
- 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; and
- you have requested the refund within a period of eight weeks from the date on which the funds were debited in your personal 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.

You do not have a right to a refund where:

- 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;
- 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
- if the payment in question was higher than you reasonably expected to pay due to a change in any currency exchange rate.

Within ten business days of receiving a request for a refund or of receiving any further information requested under this section, PayPal will either refund the full amount of the payment transaction or provide a justification for refusing the refund.

PayPal's Right to Reject a Card Transaction

We may refuse to authorise a Card transaction at any time for any of the following reasons:

- if there is insufficient balance in your personal PayPal account and you have not provided a valid direct debit mandate or card payment authority;
- the usage limit applicable to your Card is not complied with;
- your Card is locked; or
- for any of the reasons set out below.

We are not responsible for any loss you incur as a result of us refusing to execute a Card transaction in any of the ways described above.

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 refuse to authorise a Card transaction or block, restrict the use of, suspend or terminate your Card at any time, and immediately without notice, for any of the following reasons:

- we reasonably believe that your continued use of the Card has the potential to cause significant harm to PayPal or other users;
- to protect the security of your Card;
- the balance of your personal PayPal account shows an amount due to us;
- if we suspect there may be unauthorised or fraudulent use of your Card or that a crime has been or is about to be committed in connection with the use of the Card;
- if allowing you to use your Card would mean that we may break a law, regulation, code or other duty that applies to us, or could expose us to action from any government, regulator or law enforcement organisation.

We may also 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
- you violate this Agreement.

We are not responsible for any loss you incur as a result of us stopping the use of your Card in any of the ways described above. 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.

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).

Changes to this Agreement

We may change this Agreement with two months' prior notice subject to the conditions in the PayPal User Agreement. We may also issue you with a new Card from time to time or change the type of payment instrument or Card you can use.

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 (call charges may apply) or logging into your personal PayPal account.

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.

Privacy

[PayPal's Privacy Statement](#) also applies to the use of your Card.

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>.

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.

Financial Services Compensation Scheme

You will not receive interest or any other earnings on the money in your account. This is because the money in your account is electronic money and applicable laws forbid paying interest on electronic money. Your personal PayPal account is an electronic money account and is not a bank account. The electronic money in your personal PayPal account is not covered by the UK's Financial Services Compensation Scheme.

Status Disclosure

PayPal UK Ltd is authorised and regulated by the Financial Conduct Authority (FCA) as an electronic money institution (firm reference number 994790); in relation to its regulated consumer credit activities (firm reference number 996405); and for the provision of cryptocurrency services (firm reference number 1000741). Some products and services, such as PayPal Pay in 3 and PayPal Working Capital, are not regulated by the FCA and may offer a lower level of protection. Please read product terms for further details. PayPal UK Ltd's company number is 14741686. Its registered office is 5 Fleet Place, London, United Kingdom, EC4M 7RD.

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