



Frequently Asked Questions (FAQs)

Overview

PayPal's Seller Protection is already available for eligible tangible items and certain intangible items such as travel, tickets and services. PayPal is expanding its Seller Protection to cover eligible payments for digital goods. This means Seller Protection now applies to Sellers of eligible digital goods to protect them against Unauthorized Transactions.

This expanded protection will allow Sellers to accept more transactions with greater confidence. They will be eligible for a full reimbursement on the issues below provided they meet the conditions of Seller Protection and provide compelling evidence to show that the transaction has been fulfilled.

These changes are fueled by PayPal's constant drive to improve the Seller's experience and provide best in class privileges for our sellers.

For full eligibility requirements, see the attached Seller Protection Policy terms. Please note that these changes will be made available to all merchants in Hong Kong, Korea and Taiwan on 1 January 2018.

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What is Seller Protection?

Seller Protection covers Sellers against transactions that may go wrong because of Unauthorized Transactions or Items Not Received scenarios.

- For example, if the Seller has fulfilled their orders and met the conditions of PayPal Seller Protection, we will not hold them liable for a fraudulent transaction.

How are we changing Seller Protection to cover digital goods?

PayPal already provides Seller Protection for eligible physical goods shipped by merchants to their customer and intangible items such as travel, tickets and services. With these changes, we are expanding Seller Protection to the digital goods segments in the intangibles industry that will protect merchants from Unauthorized Transactions and Items Not Received in Hong Kong, Korea and Taiwan.

What is the scope of the expanded Seller Protection?

Eligible categories of digital goods will be covered under the expanded Seller Protection.

When is this expansion effective?

All transactions made on or after 1 January 2018 will be eligible for the expanded protection.

Who will benefit from the changes?

The expanded protection applies to all Sellers in Hong Kong, Korea and Taiwan in the digital goods segment excluding guest transactions who meet all the eligibility requirements for Seller Protection. In particular, the digital goods transaction must be marked by PayPal as eligible for PayPal Seller Protection on your Account "Transaction Details" page.

What items will still not be protected?

Most goods and services paid for in a single payment via a PayPal account are eligible for Seller Protection, except for the list below:

- Vehicles, including motorcycles, caravans, aircrafts and boats;
- Claims or Chargebacks for Significantly Not as Described;
- Items that you deliver in person, including at a point of sale;
- Items equivalent to cash (including, without limitation, gift cards or vouchers);
- PayPal Direct Payments (including Virtual Terminal Payments, Website Payments Pro/ Plus Payments), PayPal Here payments, PayPal carrier billing products, PayPal Mass Payments;
- Items that are sent after PayPal has advised the Seller not to release the item;
- Items that are not shipped to the recipient address as stated in the "Transaction Details" page. If you originally ship the item to the recipient address but the item is later redirected to a different address, you will not be eligible for PayPal Seller Protection. We therefore recommend not using a shipping service that is arranged by the buyer, so that you will be able to provide valid Proof of Shipping and Proof of Delivery (for tangible items);
- Donations;
- Financial products and investments;
- Gold Bullion.

For full eligibility requirements, see the attached Seller Protection Policy terms.

If someone discovers a problem after 1 January 2018 regarding a digital goods purchase before that date, can they make a claim?

No. The policy comes into effect on 1 January 2018 and only protects transactions made on or after 1 January 2018.

What specific issue types are eligible?

- Unauthorized Chargebacks or ACH returns
- Unauthorized Claims
- Unauthorized Fraud Reversals and ACH returns

- Item Not Received Chargebacks

What do the Sellers need to do to avail to Seller Protection?

Sellers will need to provide compelling evidence which can prove to the buyer and/ or PayPal that an item was delivered, used, provided, or that a service was completed, as valid proof. For example, for an online ticket purchased, proof that the ticket was sent to the buyer's email address.

For guidance, sellers need to ensure that the evidence which they submit meets the following conditions:

1. The evidence must be tied to the PayPal consumer (i.e. name, address, email address, PayPal Transaction ID, or some other identifier that we can find in our transaction details – such as an invoice ID).
2. The evidence clearly shows fulfilment of the transaction in that the customer either benefitted from the transaction or had opportunity to do so in accordance with the terms and conditions of the service.
3. Any terms and conditions that apply to the purchase and which the Seller is relying on are provided to PayPal and PayPal is informed of how the customer agreed to these terms and conditions.
4. The Seller has provided a clear explanation as to which component or part of the evidence is relevant and how it verifies transfer of the goods or completion of the service.

How does the Seller have to respond to the cases?

Seller must submit all proof and/or documents that he/ she wishes to provide in representing his/ her case in PayPal Resolution Centre. The evidence should be uploaded in the "Other Evidence" section.

What types of proof can the Seller submit?

Any compelling evidence which can prove to the buyer and/ or PayPal that an item was delivered, used, provided, or that a service was completed, would qualify as valid proof. For example, for an online ticket purchased, proof that the ticket was sent to the buyer's email address.

How does the claim process for Seller Protection work?

1. If a buyer files a Claim, Chargeback or payment reversal for Unauthorized Transaction, PayPal will place a temporary hold on the Seller's funds.
2. PayPal will ask the Seller to provide valid proof/ information that confirms Seller delivered the service or goods to the buyer and investigate the matter.
3. The Seller will receive the funds once PayPal has ascertained that the transaction is eligible for Seller Protection and the proof is valid.

For example, a website developer in Hong Kong has delivered the code to the buyer. However, the buyer, a PayPal Account holder, raises an Unauthorized Claim. When PayPal receives the Claim, it will communicate with the Seller through the Resolution Centre, asking the Seller to submit necessary proof that the code was delivered to the buyer. Such proof could include buyer's IP, buyer's email address to which goods/ services were delivered, date and time the goods were downloaded, or proof that the buyer accessed the services after the transaction date. PayPal verifies the proof and investigates the matter. If the proof is valid, PayPal will cover the Seller for the losses.

Are there any limitations or caps to the protection eligibility?

PayPal reserves the right to withdraw Seller Protection if the Seller abuses the privileges offered. In the event of withdrawing Seller Protection, PayPal will communicate the same before taking any action.