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PayPal Seller Protection

What You Need to Know as an eBay Seller

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PAYPAL OFFERS A **SELLER PROTECTION PLAN** FOR SELLERS WITH VERIFIED PREMIER OR BUSINESS ACCOUNTS.

There are specific requirements that must be met in order to qualify for the Seller Protection. These are spelled out in detail in the PayPal User Agreement.

https://www.paypal.com/us/cgi-bin/webscr?cmd=p/gen/ua/policy_spp-outside

This e-book contains information meant to be helpful to new eBay sellers. It highlights the requirements and explains some of the terms but is *not* meant to be a substitute for reading the actual policy found in the PayPal User Agreement.

https://www.paypal.com/us/cgi-bin/webscr?cmd=p/gen/ua/policy_spp-outside

If you qualify for eBay PowerSeller status, you will be offered extended Seller Protection from PayPal beginning in early 2008. Please refer to the PowerSeller section at the end of this ebook for details.

WHAT DOES SELLER PROTECTION COVER?

PayPal's Seller Protection Policy covers most sellers for up to \$5,000.00 USD on any transaction PayPal deems fraudulent.

PayPal's Seller Protection covers transactions that are between US, UK or Canadian sellers and US, UK or Canadian buyers **only**.

PayPal's Seller Protection covers transactions that are listed as 'Seller Protection Policy Eligible' on the Transactions Detail page or those that have been cleared through PayPal's Payment Review process.*

* What is the Payment Review Process?

During the Payment Review process, PayPal evaluates potentially high-risk transactions. Once a payment has passed the review, it becomes eligible for PayPal's Seller Protection Policy as long as the other Seller Protection Policy requirements are met.

If you are involved in a transaction that leads to the Payment Review Process, PayPal will notify you by email as well as in the Transaction History tab of your PayPal account.

Seller Protection covers:

- Credit card chargebacks from fraudulent card use
- Credit card chargebacks for false claims of non-delivery
- Buyer complaints for false claims of non-delivery

Seller Protection does NOT cover:

- "Significantly Not as Described" chargeback claims
- Transactions to non-US buyers
- Transactions to US buyers who do not have confirmed addresses
- Transactions in which the seller did not follow the Protection Policy guidelines

TO QUALIFY FOR SELLER PROTECTION YOU MUST:

- Have a Verified Premier or Business Account

When you open a PayPal account, you have a choice of signing up at one of 3 levels: Personal, Premier or Business.

eBay sellers are required to have either a Premier or a Business level account.

For PayPal Seller Protection, your Premier or Business level account must be Verified at the time of the transaction.

Your (US) account is Verified if you have added and confirmed a bank account with PayPal.

Your account can also be Verified if you have been approved for the PayPal Plus Credit Card or PayPal Buyer Credit.

- Ship the Item to an Eligible Address

This means that you must ship the item to the address that is listed on the 'Transaction Details' page and that address must be 'confirmed.' Items that are delivered in person do not qualify for Seller Protection.

An address is 'confirmed' when the buyer's credit card billing and shipping addresses are the same or if the Buyer has been approved for PayPal Buyer credit.

- Ship an Item that is Tangible

The item you are shipping must be something you can pack in a box or envelope and ship. Items that are not tangible would be a service or items that are delivered electronically (downloaded) such as an e-book.

- Have Proof of Delivery

Your item must be shipped using an approved shipper that has an online, trackable proof of delivery record. Items that are delivered in person do not qualify for Seller Protection.

- Have Signature Confirmation for Valuable Items

If the item you shipped has a value of \$250 or more (\$USD) you must get signature confirmation (the buyer has to sign for the package) and the receipt that was signed by the buyer must be viewable online.

- Ship the Item Within 7 days of Receiving Payment

- Accept a Single Payment from a Single PayPal Account

The buyer must pay for the item in full, with a single payment from one of his/her PayPal accounts. Partial payment or payment from multiple accounts makes you ineligible for Seller Protection.

- Not Charge the Buyer an Extra Fee for Using PayPal

PayPal charges you, the seller, a fee when money comes into your account. You may not pass this fee on to your buyer.

- Communicate with PayPal within the Time Limits They Specify

If a problem arises, PayPal will contact you for information relating to the transaction. To qualify for Seller Protection, you must respond to their requests for information in the time period they specify.

HOW DO YOU BENEFIT FROM PAYPAL'S SELLER PROTECTION POLICY?

If a problem arises and there is an unwarranted chargeback or reversal, PayPal will help you, the seller, dispute it. Most sellers will be covered for up to \$5,000 (USD) per year as long as they qualify for Seller Protection and PayPal believes the transaction is fraudulent.

If the transaction meets the terms of the Seller Protection Policy, PayPal will reimburse you for the amount of the reversal or chargeback and may even waive the chargeback fee.

A **Chargeback** occurs when a buyer asks their credit card company to reverse a transaction that has already been approved. Chargebacks can happen if the buyer did not receive the item or if the item they received is significantly different than what was expected. A chargeback may also occur if the buyer's credit card was stolen or used fraudulently. **PayPal's Seller Protection Policy will only cover a Chargeback if the buyer's credit card was stolen or used fraudulently. It does NOT cover claims for items that were not received or not as described.

A **Reversal** (bank reversal) happens when there has been a request to return funds for a transaction that was funded by a bank account. Usually, such a request is the result of suspected unauthorized use of a bank account. **PayPal's Seller Protection Policy will only cover the transaction if it is determined to be fraudulent.

SAFE PAYMENT - Important Information for New Sellers

Safe Payment* is part of eBay's effort to provide a safer, and therefore better, shopping experience for Buyers on the site.

All new eBay Sellers (in the US and Canada) are required to include a Safe Payment Method in their listings. Safe Payment methods include PayPal *or* a Merchant Credit Card.

*Certain listing categories such as 'Motor Vehicles' and 'Mature Audiences' are exempted from the Safe Payment method as it is deemed impractical in many of these situations.

Certain other sellers will also be required to accept Safe Payment methods. These are sellers who:

- have less than 100 feedback
- have 5% or more dissatisfied customers
- those who list in the traditionally 'riskier' categories such as computers, cell phones, gift certificates, video games, computers and consumer electronics.

PayPal may hold payments for up to 21 days on certain transactions. The focus appears to be on those transactions where buyer dissatisfaction has been high.

When determining which transactions may have a higher risk of buyer dissatisfaction, PayPal looks at a number of factors including the:

- seller's positive feedback percentage over the past 30 days
- seller's Detailed Seller's Rating in the past 30 days
- item's final selling price
- shipping and handling fees
- length of time the seller has been an eBay member
- seller's total feedback number

If PayPal does place hold on a payment, they will release the hold as soon as one of the following occurs:

- the buyer leaves positive feedback for the transaction
- 3 days after confirmed delivery of the item
- After 21 days have passed without a dispute, chargeback, claim or reversal

Sellers who have been selling on eBay for at least 6 months and have a minimum feedback score of 100 will not be affected by the PayPal hold on funds as long as their Buyer Dissatisfaction Rate for the last 30 days is less than 5%.

IF YOU ARE A POWERSELLER

- All addresses in the PayPal system will be considered confirmed addresses for PowerSellers
- Seller Protection will be extended to cover transactions with buyers in additional international markets as long as you have trackable online proof of delivery from an approved shipper
- PowerSellers will have unlimited protection coverage under the Seller Protection Plan. There will no longer be an annual \$5000 limit.
- The Unpaid Item Protection Program (that refunds feature fees to PowerSeller in the event of an unpaid item) will become a permanent benefit of the PowerSeller program. In addition to auction-style listings, this protection will also apply to single-item, fixed price listings.



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