

>> [View all legal agreements](#)

PayPal Payouts Terms and Conditions

Last Update: February 1, 2024

 [Download PDF](#)

These PayPal Payouts Terms and Conditions govern your use of the PayPal Payouts service (formerly Mass Pay). Your use of PayPal Payouts is also subject to the terms of the [PayPal User Agreement](#), the [Acceptable Use Policy](#), the [Privacy Statement](#), and the other applicable agreements between you and PayPal.

Eligibility for PayPal Payouts

In order to use this service, you must have a PayPal business account in good standing and apply for and receive our permission to use PayPal Payouts. We may impose additional eligibility criteria or further restrict the availability of PayPal Payouts.

Once approved, you may use the PayPal Payouts service to send large-scale payouts such as commissions, rebates, rewards, incentives, or payments to multiple recipients in connection with your business. You may be able to choose to send payouts to eligible PayPal accounts.

PayPal Payouts is built for business customers with multiple, bulk, and recurring payment needs. If you wish to make one-off payments, please use the PayPal services intended for that purpose. PayPal Payouts may not be used for payroll, selling products, sending money to family and friends, paying a merchant for a purchase, purchasing unlock codes, or for any use that we determine presents a higher than acceptable level of risk. We may add further restrictions at any time in our sole discretion.

Fees

Fees for PayPal Payouts can be found on [the Fees page](#).

Requirements for your recipients

To receive a payout, each of your recipients must have a PayPal account that meets the following criteria (an **“Eligible Account”**):

- Is located in an eligible jurisdiction
- Permits the recipient to receive payments
- Meets any applicable PayPal verification requirements, including confirmation of email address and verification of mobile phone numbers where required
- Remains in good standing (for example, it is not restricted or limited)

Payout processing times depend on various factors, including your integration (for example, whether you are making payouts using a batch or API integration), your recipient’s location, the number of payouts submitted, and your recipient’s PayPal account type and status. Your recipients will be subject to all applicable terms and conditions governing their PayPal account, including the applicable customer agreements between them and us. You are not a beneficiary of any agreements between us and your recipient, and you do not have any rights under those agreements.

We reserve the right to terminate, suspend, or prevent a recipient from using a PayPal account to receive payouts, including for any of the following reasons:

- The recipient does not have an Eligible Account
- The recipient has failed to comply with applicable laws or the terms of their agreement with PayPal, or poses an unacceptable level of risk to PayPal or other users of the PayPal or Venmo services
- Termination or suspension is indicated by PayPal’s policies and procedures, including those relating to security, fraud, and risk

- The recipient’s email has not been validated, or the recipient’s phone number has not been enabled for mobile payments
- PayPal winds down the relevant services available with respect to such recipient

Unclaimed payouts, returns, and reversals

If your intended payout recipient does not have an Eligible Account at the time you send payout instructions, they may claim the payout by opening one (if permitted in their country of residence) or by taking steps to remove any applicable account restrictions within 30 days. If the recipient does not claim the payout during this time, PayPal will return the amount of the unclaimed payout to you, less any applicable fees. You may instruct us to cancel a payout that has not yet been claimed, but PayPal will have no responsibility to reverse any payout and will not be liable for failure to cancel or reverse an unclaimed payout before 30 days have passed. PayPal will have no further responsibility to you or your recipient regarding any unclaimed payout after we return the unclaimed balance to you.

Responsibility for payout instructions; payment errors

You are solely responsible for the accuracy of all payout instructions you transmit to us. We are not responsible for missing, incomplete, or inaccurate payout instructions, or for the misdirection of funds attributable to such missing, incomplete, or inaccurate payout instructions. You are responsible if a payout is misdirected or lost because the recipient user ID (for example, a PayPal Payer ID or a Venmo handle or External ID), email address, or mobile phone number you provide to us is inaccurate or refers to a PayPal or Venmo user other than your intended recipient.

We may rely solely on the user ID, email address, mobile number, or other information set forth in the payout instructions, regardless of whether such identifiers are inconsistent with other information in the payout instructions or user verification information (for example, the name of on the account associated with the recipient email). We have no obligation to validate any information contained in the payout instructions and under no circumstances will we be liable for any payouts that we make in accordance with information contained in any payout instructions that we receive from you. If a payout is misdirected or incorrectly applied due to an error by us, our sole responsibility will be to reimburse the amount of the misdirected or lost payout.

Recipient consent to electronic communications

You are solely responsible for ensuring that each of your payout recipients has opted in to receive payments from you through the applicable services and has agreed to be contacted by email or text message by us, as applicable. By using PayPal Payouts, you represent and warrant that the emails or phone numbers you use to contact your customers were provided to you by each payout recipient, and that your use of the services to contact your customers complies with applicable laws and regulations. We may review your use of the service or require you to provide evidence that your recipients have provided express consent to receive payouts and associated emails or text messages from you, and you agree to provide such evidence upon request. By obtaining this express consent, you agree that the sharing of such information with us is not a “sale” under applicable data protection laws.

No affiliation or endorsement

You are solely responsible for your relationship with your payout recipients. We are not responsible for your products, services, your communications with your payout recipients in connection with your business or your use of PayPal Payouts. When using PayPal Payouts, you must not imply that PayPal or any of its affiliates is a sponsor of or otherwise endorses your products, services, or any promotion. PayPal or Venmo may only be described as a method of payout and must not be mentioned in any other capacity without our express written permission, and you must not promote PayPal or encourage your recipients to create a PayPal or Venmo account in your marketing materials without PayPal’s prior approval. Should PayPal request the removal of any material related to the above, you agree to promptly remove such material within 48 hours of PayPal’s request.

You may not ask your payout recipient to provide, or otherwise directly or indirectly seek to obtain, their PayPal or Venmo passwords or establish PayPal or Venmo accounts or set passwords on behalf of your underlying customers.

Purpose of payouts; additional restrictions

You are solely responsible for providing accurate information about the purpose of your payouts. The information you provide will be used, among other things, for US tax reporting and to comply with other regulatory requirements. PayPal may rely on your selection for all purposes, including for determining its reporting and withholding obligations under applicable regulation, including the US Internal

Revenue Code (IRC) Sections 6050W and 3406. If you do not indicate a payout type when making a payout, PayPal may be required to treat the payout as a reportable payment subject to applicable regulation, including IRC Sections 6050W and 3406.

Without limiting our other rights and remedies, we may suspend or terminate your access to PayPal Payouts or your PayPal account if we determine that you are misusing PayPal or PayPal Payouts services, that there is a higher than acceptable level of risk associated with your use of PayPal or PayPal Payouts services, or that you have violated these terms.