

PAYPAL'S SELLER PROTECTION

Last updated on 13 January 2025

PayPal's Seller Protection is available to:

Payment Recipients with registered PayPal Account(s) in Israel who receive PayPal payments from buyers making eligible purchases.

If you sell or market to buyers in other countries, you should read the terms of PayPal's Buyer Protection programs of the countries in which your target buyers are based (the relevant PayPal's Buyer Protection policies are available [here](#)) as these policies will apply to you as a payment recipient or Seller.

PayPal's Seller Protection program does not apply to Claims, Chargebacks and/or Reversals for the reason that the purchase was Significantly Not as Described (SNAD) nor for items that you deliver or are picked up in person.

If you sell a good or service to a buyer, you may be eligible for PayPal's Seller Protection program. When it applies, PayPal's Seller Protection program entitles you to retain the full purchase amount. There is no limit on the number of payments eligible for PayPal's Seller Protection program. By accessing the transaction details page in your PayPal account you can determine whether or not your transaction is eligible for protection under this program.

How much protection is provided by PayPal's Seller Protection program?

If you are the eligible recipient of a payment made by buyer(s), PayPal may reimburse you an amount for Claims, Chargebacks or Reversals made against you based on the following reasons:

1. A Chargeback or Reversal was issued against you for the reason of an "Unauthorized Transaction" and the Unauthorized Transaction(s) occur in an environment hosted by PayPal or
2. A Claim was issued against you for the reason of "Item Not Received" where PayPal receives from you proof that the item was posted or delivered in accordance with the requirements below; provided, however, that Item Not Received claims that result from buyers filing chargeback claims with their issuers for card-funded transactions are not eligible for PayPal's Seller Protection.

PayPal will pay you the full amount of an eligible payment the subject of the Claim, Chargeback, or Reversal.

What happens when a buyer files a Claim, Chargeback, or Reversal?

PayPal will place a temporary hold on the funds in your Account to cover the full amount of the Claim, Chargeback, or Reversal.

If the payment is not covered by PayPal's Seller Protection program, PayPal will remove the funds from your Account and return the payment to the buyer. Regardless of the outcome of the claim, you may be responsible for PayPal's Dispute Fee, if applicable.

What are the eligibility requirements for PayPal's Seller Protection program?

1. If you have received more than €100,000 per month at least once over a consecutive period of 6 months on your PayPal Account and/or if You are applying surcharge for the use of PayPal (when the law applicable to You allows you to apply surcharge), You are not eligible for PayPal's Seller Protection program unless otherwise agreed between you and PayPal. PayPal will review your eligibility for PayPal's Seller Protection program in October and April of each calendar year.
2. To be eligible for PayPal's Seller Protection program, all of the following basic requirements must be met, as well as any applicable additional requirements:
3. Basic Requirements
 1. You must respect the requirements specified above in relation to your PayPal Account.
 2. In case of **Unauthorized Transaction** claims, the transaction must be marked by PayPal as eligible or "partially eligible" for PayPal's Seller Protection program on your Account "Transaction Details" page.
 3. The item must be a physical, tangible good that can be shipped, except for items subject to the Intangible Goods Additional Requirements.

4. For tangible items, that can be shipped, post the item to the shipping address on the “Transaction Details” page. If the item is delivered in person or if the payment recipient posts the item to a different address (for example, if the buyer asks that you send to another address on the basis that it is a “work address” or a “gift” address) then you will not be eligible for re-imbusement under the terms of PayPal's Seller Protection program.
5. Provide proof of shipment or delivery as described below

In case of an Unauthorized Transaction claim, you must provide valid proof of shipment or proof of delivery that demonstrates that the item was shipped or provided to the buyer no later than two days after PayPal notified you of the dispute or reversal. For example, if PayPal notifies you of an Unauthorized Transaction claim on September 1, the valid proof of shipment must indicate that the item was shipped to the buyer no later than September 3 to be eligible for PayPal’s Seller Protection program.

6. You must accept a single payment from one PayPal Account for the purchase (partial payment and/or payment in installments are excluded).
7. Respond to PayPal’s requests for documentation and other information that is reasonably required by PayPal to investigate the matter in a timely manner.
8. Where you have integrated a PayPal Checkout product with your website or application, the following requirements apply to Business Sellers operating a PayPal account for commercial activity, to ensure optimal management of potentially fraudulent transactions:
 - You must be using the current version of that PayPal Checkout product if you are accepting payments directly via a website or application. We encourage you to watch out for updates as we may notify or announce from time to time and immediately update that PayPal Checkout product.
 - Ensure you are passing the required session information to PayPal at checkout if you are integrated with PayPal via a third party or if you have a native app integration. Passing of such information is necessary for PayPal to assess and identify potentially fraudulent transactions.
 - Additional integration requirements may apply to Sellers operating under high-risk business models. These requirements are instituted to ensure compliance with PayPal’s heightened security and risk management standards thereby mitigating potential risks related to fraudulent transactions associated with these business models. PayPal will inform you of those requirements in advance and you will be provided with a reasonable timeframe to make any changes that are necessary.

Intangible Goods additional requirements

For the sale of intangible goods and services to be eligible for PayPal's Seller Protection program, the sale must meet the basic requirements and the following additional requirements:

- Integration requirements:
 - Where you have integrated a PayPal checkout product, you must be using the current version of that product if you are accepting payments directly via a website or mobile optimized website; or
 - Ensure you are passing session information to PayPal at checkout if you are integrated with PayPal via a third-party or if you have a native app integration.
 - Other integration requirements may apply depending on your business model. We will let you know those requirements ahead of time, if needed.
- In the case of **Unauthorized Transaction** claims, PayPal has marked the intangible good transaction as “eligible” in the Transaction Details page or otherwise provided notice to you of eligibility in writing.
- You have delivered the item and provided Proof of delivery for Intangible Goods.

What are the shipping requirements?

Type of shipping	Protection for Unauthorized Payment	Protection for Item Not Received
National/international	For intangible items or services: Proof of Delivery For all other transactions: Proof of Shipment	Proof of Delivery

If the payment is for pre-ordered or made-to-order goods, shipping is required within the timeframe specified in the shipment policy or other specification on the Merchant’s website. For all other national shipping services (and international shipping), PayPal requires a Proof of Delivery, whatever the value of the item.

What is “Proof of Shipment”?

Online or physical documentation from a shipping company that includes all of the following:

1. An online and verifiable tracking number.
2. A status of “shipped” (or equivalent) and the date of shipping.
3. An address for the recipient that matches the shipping address on the Transaction Details page.
4. The recipient’s address, showing at least the city/state, city/country or postcode (or international equivalent).

Or, if you have Proof of Delivery then you do not need Proof of Shipping.

What is "Proof of Delivery"?

"Proof of Delivery" (for tangible items) means online documentation from a postal company that includes (or where the postal company warrants that they have obtained) all of the following:

1. An online and verifiable tracking number.
2. A status of "delivered" (or equivalent) and the date of delivery.
3. An address for the recipient that matches the shipping address on the Transaction Details page
4. The recipient's address, showing at least the city/state, city/country or postcode (or international equivalent).

"Proof of Delivery" (for intangible items or services) is compelling evidence (as determined by PayPal) to show the item was delivered or the purchase order was fulfilled. Compelling evidence could include a system of record showing the date the item was sent and that it was either:

- Electronically sent to the recipient, including the recipient's address (email, IP, etc.), where applicable; or
- Received or accessed by the recipient

What are examples of items/transactions/cases that are not eligible for PayPal's Seller Protection Program?

The following items or transactions **are not** eligible for PayPal's Seller Protection program:

- Real estate, including residential property.
- Vehicles, including, but not limited to, motor vehicles, motorcycles, recreational vehicles, aircraft and boats, except for personally portable light vehicles used for recreational purposes like bicycles and wheeled hoverboards.
- Businesses (buying or investing in a business).
- Industrial machinery used in manufacturing.
- Payments equivalent to cash, including stored value items such as gift cards and pre-paid cards.
- Payments made in respect of gold (whether in physical form or in exchange-traded form).
- Financial products or investments of any kind.
- Non-Fungible Tokens (NFTs) with a transaction amount of:
 - \$10,000.01 USD or above (or equivalent value in local currency as calculated at the time of the transaction);
 - \$10,000.00 USD or below (or equivalent value in local currency as calculated at the time of the transaction), unless the buyer claims it was an **Unauthorized Transaction** and the transaction meets all other eligibility requirements.
- Gambling, gaming, and/or any other activities with an entry fee and a prize.
- Donations, including payments received as crowdfunding or crowdlending.
- Payments to a state-run body (except for state-owned enterprises), a government agency or to third-party collecting payment on behalf of a state-run body or government agency.
- Payments where you are acting on mandates received from a state-run body or a government agency.
- Payments to any bill payment service.
- Items where the buyer claims (either with us or their card issuer) that the item you sent isn't what was ordered (referred to as a **Significantly Not as Described** claim).
- **Item Not Received** claims filed by your buyer directly with their card issuer.
- Physical, tangible items delivered in person, including in connection with a payment made in your physical store, unless the buyer paid for the transaction in-person, using PayPal's goods and services QR code where available.
- Payments made using PayPal's Payouts (formerly Mass Pay).
- Personal payments including a payment sent using PayPal's friends and family functionality where available.
- Payments not processed through a buyer's PayPal account, including PayPal Guest Checkout payments and Standard Debit and Credit Card Payments where the seller's account is registered in the following countries – Singapore, China, Hong Kong, Australia, Italy, France, Netherlands, Spain, Ireland, Poland, Sweden, Bulgaria, Austria, Portugal, Belgium, Norway, Greece, Denmark, Cyprus, Lithuania, Czechia, Estonia, Finland, Romania, Slovenia, Hungary, Slovakia, Malta, Latvia and Luxembourg. Guest Checkout payments and Standard Debit and Credit Card Payments received by accounts registered in all other countries are otherwise eligible for Seller Protection.
- Items sent after PayPal advised you not to release the item.
- Anything PayPal determines, in its sole discretion, is prohibited by this user agreement or PayPal's **Acceptable Use Policy**, even if the payment is initially marked as "eligible" or "partially eligible" on the Transaction Details page.

Suspension of Eligibility for PayPal's Seller Protection Program

We may suspend your eligibility for PayPal's Seller Protection Program if we hold a reasonable belief that there is an increased risk associated with your account. In assessing a risk, we will consider the:

- Total monetary amount and/or number of Reversals issued against your PayPal account;
- Reasonable risk of your account to the integrity of PayPal and our system; and
- Potential losses occurring to us or our users.

We may suspend your eligibility for PayPal's Seller Protection program if it is linked or associated with another account which has been suspended.

We will lift the suspension provided we no longer hold a reasonable belief that there is an increased risk associated with your account.

If we reasonably believe a risk still exists, we may in our sole discretion, require you to take certain action in order to lift the suspension of your eligibility for PayPal's Seller Protection program. You must follow our directions as reasonably required by PayPal within the timeframe specified.

We will notify you by email if we suspend or lift the suspension of your eligibility for PayPal's Seller Protection program.