

# COMPLAINT ACTIVITY REPORT Case # ----- Better Business Bureau of Silicon Valley

**Consumer Info:** SILICONSILENCE

**Business Info:** PayPal, Inc.  
P.O. Box 45950  
Omaha, NE 68145  
408 376-7400

**Location Involved:** 2211 N First St  
San Jose, CA 95131-2021

## Consumer's Original Complaint:

Early September 2005, I sold a laptop on eBay to a Mr. RH. After I received payment, I sent him the laptop. When he received it, he praised me. Later, on October 7, 2005, PayPal sent me an e-mail stating Mr. RH filed a chargeback with his credit card company, stating the item was not as described, although it was. I also stated no return policy on my eBay auction, a legal binding contract and the sir started the chargeback a month after receiving the goods. A few weeks go by and The chargeback stands. Since the money paid to my PayPal account was withdrawal into my bank account, PayPal took the money from my empty PayPal account, leaving me with \$624. After countless e-mails, 16 of which I saved, they told me they could do nothing but weight to settle with the credit card company. They told me they would give them up to 90 days. It is now almost April and my account is still negative. They only periodically send me an e-mail telling me to add funds or they will have to take further action. They have in NO way tried to help solve this problem, and basically swept it under the carpet. Unfortunately, they continue to hold my bank account information and I cannot close my PayPal account with a negative balance. After many e-mails explaining the problem, the only response I got to closing my account was a misspelled e-mail stating, "Thank you for contacting PayPal. Y cannot close an account with a negative balance." After asking for a phone number, the only thing they would give me was a fax number. They have not tried at all, and the only thing I want is my PayPal account closed.

## Consumer's Desired Resolution:

All I want is my PayPal account closed.

## BBB Processing

03/23/2006	web	BBB	Complaint Received by BBB
03/24/2006	VA	BBB	Received eBay/PayPal Cmpl Without Buyer/Seller ID
03/24/2006	Otto	EMAIL	Request PayPal/eBay Buyer/Seller ID from consumer
03/27/2006	WEB	BBB	CONSUMER PROVIDED EBAY/PAYPAL BUYER/SELLER ID : My Buyer/Seller ID is "EDIT", the buyer's id was "EDIT". Thank you.
03/27/2006	VA	EMAIL	Informed eBay/PayPal of Complaint
03/30/2006	WEB	BBB	RECEIVE BUSINESS RESPONSE : Dear SILICONSILENCE,

RE: BBB Case # -----

I sincerely apologize for the difficulties you have encountered while using PayPal. The company values your business and I want to do everything possible to resolve your complaint. Thank you for the opportunity to review your PayPal account and your recent inquiry to the Better Business Bureau. Please allow me to offer further explanation concerning your issue.

Review of your PayPal account, under the email address EDIT, shows that on 11/17/05, we received notification of a dispute regarding the transaction that was filed with Mr. H's credit card company stating the merchandise he received was not as described. When we receive a dispute of this nature, we put a temporary hold on your account for the transaction amount until the matter can be fully investigated. The reason for the hold is the buyer's credit card issuer filed the chargeback claim, and we were obligated to release the funds in question to said credit card Company until the matter is fully investigated.

Currently our Seller Protection Policy does not cover sellers from chargebacks filed for anything other than fraudulent funds or false claims of non-receipt of merchandise.

PayPal's commitment to our sellers is we dispute chargebacks under applicable credit card regulations. This dispute process can take up to 75 days and we are currently still in the process of disputing this chargeback on your behalf. If we win the chargeback, we will release the funds to your account. The decision to dispute the charge was made solely by the buyer's credit card issuer. As such, please understand that PayPal does not control the outcome of any dispute decision initiated through a credit card issuing bank.

We suggest you contact the buyer directly to resolve this issue. You may also consider attempting to resolve your issue through any means available to you such as an auction website (if one was used for this transaction), or through a law enforcement agency such as your local police department. You may also file a complaint against this seller with the FBI at [www.ifccfbi.gov](http://www.ifccfbi.gov). Should a criminal investigation arise out of your complaint, please be aware that PayPal is committed to working with law enforcement agencies.

Additionally, your PayPal account has been locked from further use due to the fact that it has maintained a negative balance of \$624.00 for an extended amount of time. It is possible that you may have been contacted by our collection agency, NCO Group. Please follow the proper instructions below to pay off your negative balance. The necessary steps for completion will be dependent upon whether or not you were contacted by NCO.

If you received an email from PayPal only, please send a check or money order to:

PayPal-Charge Off  
P.O. Box 45950  
Omaha, NE 68145

\* Please note the email address of the account to be paid.

If you received a letter or phone call from NCO, please send a check or money order to:

NCO Financial Systems, Inc.  
P.O. Box 27141  
Baltimore, MD 21230

Please note that an account with a negative balance cannot be closed.

We regret that you have had this experience and hope that you will continue to use our service for your online transactions, and give us the opportunity to demonstrate why PayPal is the leading online payment service in the industry.

We deeply regret that you have had this experience, as we continually strive to exceed our customer's expectations to provide a safe, secure method to send and receive money online. We truly value your business and hope that you will continue to use our service for your online transactions, and give us the opportunity to demonstrate why PayPal is the leading online payment service in the industry.

Again, Mr. SILICONSILENCE, I apologize for any inconvenience this situation has caused. Please feel free to contact me directly at [crme@paypal.com](mailto:crme@paypal.com) should you have any further questions or concerns.

Sincerely,

Demisha

Executive Escalations

PayPal, an eBay Company

03/30/2006 KBC EMAIL Forward Business response to Consumer

03/31/2006 WEB BBB RECEIVED CONSUMER REBUTTAL : (The consumer indicated he/she DID NOT accept the response from the business.)

I have waited longer than 75 days for a response from you about a response from the credit card company. This is the reason I contacted the BBB, because of PayPal's unethical business practices. Now if PayPal were to use common sense, you would realize that the buyer committed FRAUD, so all attempts in contacting him were unsuccessful. I will take your advice and contact the FBI, but I still hold PayPal responsible. The only thing I want done is my PayPal account closed because of PayPal's business practices. PayPal had no problem sweeping my case under the carpet when I did not receive anything about my account for months. Suddenly, when I contact the BBB, you are telling me I will most likely be contacted by your collection agency, as if you are penalizing me for taking an extra step to get my account close.

I do not accept PayPal's response, and I am not satisfied.

Thank you,

**SILICONSILENCE**

03/31/2006 BBB MORE INFO RECEIVED FROM THE CONSUMER : Additionally, over the months that my account has been negative, I was only threatened that my account would be locked if I did not add funds. After I contacted the BBB, my account was locked, leaving me unable to gain my seller's contact information. It seems that they locked my account BECAUSE I contacted the BBB, to spite me or penalize me.

Thanks, **SILICONSILENCE**

03/31/2006 KBC EMAIL Forward Consumer Rebuttal to Business

04/06/2006 WEB BBB RECEIVED BUSINESS' REBUTTAL RESPONSE : Dear **SILICONSILENCE**,

RE: BBB Case # -----

I sincerely apologize for the difficulties you have encountered while using PayPal. The company values your business and I want to do everything possible to resolve your complaint. Thank you for the opportunity to review your PayPal account and your recent rebuttal to the Better Business Bureau. Please allow me to offer further explanation concerning your issue.

I appreciate your feedback about the level of customer service PayPal provides to its members and would like to take this opportunity to address your concern. I apologize if you feel that we have not delivered the level of customer service you were expecting from PayPal. We make every effort to respond quickly, accurately, and thoroughly to the concerns and questions we receive by email or telephone. Your feedback is valuable and presents an opportunity to evaluate and continuously improve the level of service we provide to our members.

Please note that an account with a negative balance cannot be closed. Additionally, on March 30, 2006, our records indicate your PayPal account was locked for maintaining a negative balance of \$624.00 for over 90 consecutive days. As such, the account has been turned over to a third party collection agency for remittance of payment. This is not a decision we make lightly, as it is in PayPal's best interest in order to collect unpaid balances on accounts.

Again, Mr. **SILICONSILENCE**, I apologize for any inconvenience this situation has caused. Please feel free to contact me directly at [crme@paypal.com](mailto:crme@paypal.com) should you have any further questions or concerns.

Sincerely,

Beth

Executive Escalations

PayPal, an eBay Company

04/07/2006 VA EMAIL Send Consumer Rebuttal - No New Offer - AJR

04/07/2006 Otto EMAIL Inform Business - Case Closed AJR

04/07/2006 Otto BBB Case Closed AJR

EDITS IN **RED**.