

Does PayPal Protect You When Buying From India?



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Updated 18 Oct 2026 6 min read

Less than most buyers think. PayPal Goods and Services is the usual first-order method with Indian suppliers, and it can refund an order that never arrives. But PayPal's US terms exclude items intended for resale, exclude quality claims on custom-made items, and may make you ship goods back to India at your own cost. Use it for samples and small first orders, not as cover for a stock order.

The Short Version

- PayPal's US Purchase Protection terms exclude "Items intended for resale", which covers most stock orders.
- Quality claims ("Significantly Not as Described") are excluded for wholly or partly custom-made items.
- PayPal may require you to ship the item back at your expense, and return shipping is not covered.
- A quality claim must be opened within 30 days of delivery or 180 days of payment, whichever is sooner.
- Card chargeback rights may be broader, PayPal says so itself. Wire and Wise transfers can't be reversed.

Partly, and for a business buyer often not at all. PayPal Goods and Services is the usual way to pay an Indian supplier for samples and a first small order, and it can refund you if nothing arrives. But read PayPal's own US terms and the cover shrinks fast – items bought for resale are excluded, quality claims on custom-made goods are excluded, and if a claim is accepted you may have to ship the goods back to India at your own cost.

The forum version of that last point is blunt. A US buyer wrote in 2023 that "PayPal denied my case and said I had to pay to return the item", and another described PayPal telling a buyer "they had to pay out of pocket to ship the giant damaged rug back to the seller in India" (US buyers on a sellers' forum, 2023, from our forum logs). This post sets out what PayPal's terms actually say, where they leave an importer exposed, and how to use PayPal for what it's good at. The caveat - we read PayPal's US terms, and terms differ by country, so read the version for yours.

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- 01 **PayPal's US Purchase Protection excludes "Items intended for resale, including single item transactions or transactions that include multiple items".** ([*PayPal Purchase Protection Program, US*](#), last updated 26 Jan 2026, read 18 Oct 2026)
 - 02 **Quality claims are excluded for "wholly or partly custom-made items", and** PayPal "may require you, at your expense, to ship the item back". (*Same page*)
 - 03 **Buyers in disputes over goods from India report being told to return them at their own cost before any refund.** (*Our forum logs, two US buyers, 2023*)
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What we don't know yet

- ☐ How often PayPal decides cross-border claims for the buyer on Indian goods. PayPal doesn't publish it.

1. Why Is PayPal the Usual First Payment With Indian Suppliers?

Because it's familiar and fast, and because the alternatives look worse for a tiny order. Experienced small buyers describe a pattern - "I usually use PPGS for the first few buys and then wire once we have a relationship"

([r/ecommerce, 2020](#)). Many Indian suppliers accept it for samples and small orders. Fewer accept it once orders grow.

That's a fair position for the supplier. Under the same user agreement, a seller who loses a claim "must forfeit the full purchase price of the item plus the original shipping cost", and "In some cases, you may not receive the item back" ([PayPal user agreement, US](#), updated 14 Sep 2026). An Indian maker can't easily collect a rejected carton from Ohio. So when a supplier refuses PayPal for a large order, read it as risk management, not as a warning sign.

2. What Does PayPal Purchase Protection Actually Cover?

Two kinds of claim, under the US terms read 18 October 2026 -

- **Item Not Received.** You paid and nothing arrived. Open the dispute within 180 days of payment.
- **Significantly Not as Described.** What arrived isn't what you ordered. Open the dispute within 30 days of delivery or 180 days of payment, whichever is sooner.

When a claim succeeds, PayPal says it "may result in coverage for the full purchase price of the item plus the original shipping costs". It decides eligibility "in its sole discretion". And an item may not be treated as not as described if "The defect in the item was correctly described by the seller".

That 30-day window is the one that catches importers. Sea freight from India plus customs can take longer than that before you even open the boxes, but the clock runs from delivery, so check goods the week they land.

3. Where Does It Leave an Importer Uncovered?

Here's the part most advice skips. The US exclusions list includes –

- **"Items intended for resale"**. If you're buying 300 cushion covers to sell, the terms say that purchase isn't eligible.
- **Quality claims on "wholly or partly custom-made items"**. Your logo, your colour, your size chart. Most made-to-order India work is at least partly custom.
- **"Industrial machinery used in manufacturing"**.
- **Personal payments**, "including payments sent using PayPal's friends and family functionality". A supplier who asks for friends and family to save fees is asking you to give up all cover.

Put the first two together and an importer's typical order, custom goods bought for resale, may sit outside the programme entirely. A sample bought to evaluate, not resell, is a different case, and that's where PayPal earns its place.

4. What Happens When You Have to Send It Back?

The terms are clear. "You may be required to return the item to the seller or other party we specify", and the programme "does not entitle you to coverage for the return shipping costs". PayPal may require you to ship "at your expense" and "to provide proof of delivery".

For goods from India that means an international return, tracked, often heavier than the original parcel because you're returning what you couldn't sell. The rug in our opening is the extreme case, but even a carton of samples can cost a meaningful share of its value to send back. Some buyers in the same threads report PayPal finding for them without a return when the item was plainly different from the listing. Don't count on it.

5. Are Cards, Wires or Wise Any Better?

A card can be. PayPal's own page says "Applicable card chargeback rights may be broader than those available to you under PayPal's Purchase Protection program", including for items that don't qualify as not as described. If you pay through PayPal, fund it with a card, and know your card issuer's rules for business purchases.

A wire or a Wise transfer gives you nothing to reverse. A UK buyer noted that Wise doesn't let you claw back a payment when the seller fails to deliver ([r/smallbusinessuk, 2026](#)). For anything above sample size, your protection comes from structure, not from the payment rail – a deposit to a verified corporate account, an inspection before shipment, and the balance against documents. [How to pay an overseas supplier safely](#) sets that out method by method, and [why Indian suppliers ask for full advance](#) explains the supplier's side.

6. How Do You Use PayPal Well With an Indian Supplier?

1. **Use it for samples and the first small order**, where PayPal's limits matter least and the speed matters most.
2. **Always Goods and Services**, never friends and family, whatever discount is offered.
3. **Fund it with a card**, so the chargeback route stays open.
4. **Write the spec into the invoice or payment note**, with size, material, colour and quantity. A not-as-described claim is judged against the description.
5. **Ask for photos and a video before dispatch**, so a problem shows up before the goods leave India.
6. **Inspect on arrival within days**, and open any claim well inside 30 days of delivery.

7. Move bigger orders to staged payments against inspection.

If you want the milestones and inspections handled for you, [SourcingSync](#) runs staged payments released against checks in India.

Questions Buyers Ask

Is PayPal Goods and Services safe for a first order from India? ^

For samples, reasonably. For a stock order bought for resale, PayPal's US terms exclude it, so don't treat PayPal as your protection.

Will PayPal make me ship the goods back to India? v

My supplier asks for friends and family to avoid fees. Should I agree? v

Do these rules apply outside the US? v

What protects me on a larger order? v

7. Back to the Rug

That buyer paid by the method everyone recommends, and still faced a return to India at her own cost. PayPal did what its terms say. The lesson isn't to avoid PayPal. It's to use it where its terms fit, a sample or a small first order, and to build protection into the order itself once the order is worth protecting.