

## The complaint

Ms O complains that eBay Commerce UK Ltd won't release funds from her account.

## What happened

In early 2022, eBay told Ms O that she would need to verify her identity before it would release funds from her account.

Ms O was concerned about providing photo identification to eBay. She spoke to a member of staff who told her that she could upload non-photo ID. Ms O says she did this, but eBay still wouldn't release the funds.

Ms O raised a complaint with eBay, but the matter wasn't resolved. So, she asked our service to look into her concerns.

Our investigator didn't think Ms O's complaint should be upheld. She thought it was fair for eBay to withhold the funds because Ms O didn't appear to have uploaded sufficient documentation to validate her identity.

Ms O disagreed with our investigator's outcome. She said she'd provided her name, address and bank details to eBay and these had been verified. She didn't think eBay was entitled to ask her for anything further than what she'd already provided. She commented that she'd previously been paid by eBay before the verification process was finished, which she believed to contradict its terms and conditions. She believed eBay was acting unlawfully. So, the complaint has been passed to me to decide.

## What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've decided not to uphold Ms O's complaint. I'll explain why.

eBay's Payments Terms of Use says it may place a hold on a seller's funds if *"we have reason to believe there is an increased risk associated with the provision of our Payment Services or with a certain Managed Payment transaction, for example if we cannot verify your identity... We may also cancel or freeze the settlement of your proceeds as necessary to comply with our legal obligations in connection with fraud prevention, risk management, or regulatory compliance. Any hold placed on your funds will be lifted when the issue is resolved."*

Ms O says she provided the information eBay required to verify her identity as stated on its website (full name, nationality, phone number, address and date of birth). Her bank account was also verified using micro-deposits.

I appreciate Ms O feels that this was enough for eBay to release the funds. However, eBay's website goes on to say: *"If we can't verify your identity using the information above, we may need you to send us a photo of a valid form of identification..."*

*We accept the following forms of valid identification:*

- *Driver's license*
- *Passport*

Ms O says that after she told one of eBay's managers that she was concerned about uploading photo ID, the manager advised her to upload non-photo ID. Ms O says she uploaded various non photo documents on numerous occasions but eBay wouldn't accept these.

I can see that eBay emailed Ms O in February 2022 and gave her a list of non-photo ID documents eBay would accept:

*"An Old style Drivers License (Paper License), a birth certificate, a marriage certificate, a letter from the Home office."*

Ms O was told the non-photo ID documents needed to have her *"full name and date of birth"*. eBay said she would also need to provide an accompanying document and listed what it would accept.

eBay says it wasn't able to validate Ms O's identity from the documents she provided. It says the counterpart driving licence and home office letter she provided didn't contain her date of birth. There were also issues with some of the other documents not matching the address on her eBay account.

Ms O has provided a copy of an email eBay sent her in April 2022, where it told her that *"ID verification ha(d) not yet been successfully completed as the documents you have uploaded are not sufficient"*. It told her once again what was required, including documents it would accept if a non-photo ID was uploaded.

Ms O says she uploaded non-photo ID and her bank details have been confirmed on numerous occasions. However, I haven't seen any evidence that she provided eBay with the ID documents it required (including her date of birth). I appreciate that Ms O verified her bank account using micro-deposits. But I'm satisfied that eBay made it clear that this wasn't enough to meet its identity verification requirements.

Ms O has commented that eBay isn't required to ask for further forms of identification by law as it isn't a financial authority. This isn't correct. eBay's managed payment service is regulated by the Financial Conduct Authority as a payment service provider. This means it has an obligation to comply with money laundering regulations and legislation, which include verifying a customer's identity.

Ms O has commented that eBay previously released payments to her without the need for ID. However, businesses are required to take a risk-based approach to money laundering and have suitable systems and processes in place. The regulations aren't prescriptive and so it's up to a business to put in place the appropriate measures. So, it would be up to eBay to decide the circumstances in which to require documentation to verify a customer's identity.

From what I've seen, I don't believe Ms O has provided eBay with the information it required to verify her identity. Given what it says in eBay's terms of use, I can't say it's unreasonable for eBay to withhold Ms O's funds.

eBay says it is willing to give Ms O access to her funds once she provides the requested documentation. So, if she wants to provide this now, she can. But, as she doesn't appear to have provided the ID as yet, I can't ask eBay to do anything more.

I know my answer will be disappointing for Ms O, but I'm satisfied that eBay has acted fairly and reasonably, in line with its terms of use.

### **My final decision**

For the reasons I've explained, I don't uphold Ms O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 28 December 2022.

Anne Muscroft  
**Ombudsman**