

The complaint

Mr O complains eBay Commerce UK Ltd (eBay) charged him for a transaction.

What happened

Mr O took a part time job, working from home, advertising items on eBay for an established business. Mr O advertised a piece of camera equipment for over £3,000.

A buyer sent Mr O over £4,000, but Mr O didn't have the item to send out, this was the responsibility of the company he was working for.

eBay blocked the payment, stopping Mr O accessing it. eBay contacted Mr O and told him it would release the payment once he'd sent the item. Mr O contacted the business he was working for, but it wouldn't send the item until it had received the money.

The buyer then requested a refund, but Mr O couldn't do this as the payment had been blocked. eBay refunded the buyer, but applied a final value fee and a listing fee, almost £400 of charges in total.

Mr O complained to eBay, but it said the charges were in line with its agreement, and it wouldn't refund them.

Unhappy with this answer, Mr O brought his complaint to this service. An investigator looked into things but thought Mr O's complaint wasn't one this service could look at. The investigator thought the charges applied weren't part of a regulated agreement.

Mr O disagreed, and said he didn't expect to pay anything for a payment that never happened. Mr O thought it was unfair he was paying something the business he was working for should pay. And Mr O was unhappy with the service, and lack of empathy, he'd received from eBay.

Mr O asked for an ombudsman to decide things, and I issued a provisional decision.

My provisional decision

I'm satisfied the charges applied by eBay are part of the regulated agreement Mr O signed up to with eBay. So, I'm satisfied this complaint is one I can consider. eBay also agrees. I've gone on to consider the merits of Mr O's complaint.

Where evidence is unclear or incomplete, I can decide things on the balance of probabilities, what's more likely to have happened.

Having looked at what Mr O and eBay have sent this service, I think it's likely Mr O has fallen victim to a scam. I don't believe there was any camera equipment to sell, and I think it's likely eBay protected Mr O from a further loss, and I'll explain why.

Mr O has sent this service an employment contract with the business he was working for. This contract has some inconsistencies, but it also appears to be a US contract. The business Mr O thought he was employed by seems to be a UK only company.

The contract includes references to 'state and federal taxes' as well as 'labor law'. I don't believe these references would be included in a UK employment contract. Because of this, I don't believe Mr O was employed by the business he thought he was.

The item Mr O was advertising sold for over £4,000. Looking at what this item costs direct from the manufacturer, it's priced at over £13,000. I don't believe an established business would sell an item for less than a third of its retail price. And if it did, I don't think the business would need help to advertise the item.

I believe the low price was to attract potential buyers quickly, people who would send Mr O the money, thinking they were getting a great deal, but never receive the item in return.

Mr O didn't have the item to send out, he was only expected to advertise the item and receive payment. I could understand the advertising part, but Mr O was apparently working for an established company, with its own website and payment facilities.

It seems odd Mr O would receive the payment direct. It appears Mr O was going to forward the payment on to his contact at the business. But I don't believe that person was who they said they were.

I think it's more likely Mr O would have forwarded the payment to an unrelated third party, not the business he thought he worked for. And Mr O didn't personally have the item, his contact at the business apparently did.

Mr O asked his contact to send the item, but they refused to until the money had been received. Mr O also provided the buyer with his contact's details, so they could correspond direct. The buyer told Mr O they didn't believe the contact was who they said they were.

I'm inclined to agree with the buyer – I don't think the contact was who they said they were.

If Mr O was able to access the payment, it's very likely he'd have forwarded it to his contact. It's likely there was no camera equipment to send out, so the buyer would likely have complained to eBay. And eBay may well have recovered the payment sent to Mr O.

Had eBay done this, Mr O might well have been left owing eBay over £4,000. And, on balance, I'm satisfied this would have happened. The buyer asked eBay for a refund when they didn't receive the item. I think the buyer would have done the same had Mr O been able to access the payment he received.

eBay blocked the payment. I'm satisfied the terms of Mr O's agreement with eBay allow it to block payments. And eBay's terms also allow it to return the payment to the buyer.

And eBay's terms also allow it to charge a final value fee and a listing fee. eBay charged this amount because the sale of the item had been completed, regardless of whether Mr O received the payment or not.

When Mr O brought his complaint to this service, eBay agreed to refund the final value fee as a gesture of goodwill. eBay has since agreed to refund the listing fee as well.

This means Mr O's account has been brought back to zero, he no longer owes eBay any money in relation to the sale of the camera equipment.

I understand Mr O's frustration with owing eBay money for a payment he never received. But I think by blocking the payment, eBay protected Mr O from a significant future loss. I think eBay was right to block the payment, and right to return the payment to the buyer.

Mr O has said he wasn't happy with the service he's received from eBay. I've looked at the chats between Mr O and eBay. There was clearly a difference of opinion, but I don't think eBay provided poor service.

Mr O was also unhappy with the lack of empathy, common sense, and the time it took to resolve things. But I think this was a complex scam Mr O had been drawn into, and I wouldn't necessarily expect either Mr O or eBay to realise this.

Because of this, I don't think eBay did anything wrong in the way it handled Mr O's request for a refund or how it handled Mr O's complaint.

Mr O's now received a full refund of the charges eBay applied. Because eBay's made this refund, I'm not going to decide if was fair, in the individual circumstances of Mr O's complaint, to charge him.

Responses to my provisional decision

eBay didn't have anything further to add following my provisional decision.

Mr O sent in further submissions, and in response to my provisional decision said he acted professionally as an employee. Mr O also said he tried his best to resolve things with the buyer and reported his suspicions.

Mr O felt I'd made eBay look like it hadn't done anything wrong, but it hadn't responded to Mr O's letters about his complaint. Mr O said if he hadn't brought his complaint to this service, it was unlikely eBay would have done anything.

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.

I've looked very carefully at what Mr O sent in. Mr O's sent in an email he sent the buyer. In this email, Mr O said "thank goodness eBay held the funds".

This is also my thinking, eBay did the right thing when it held the payment over and didn't release it to Mr O. There could have been a significant loss to Mr O had eBay released the payment to him.

As I said in my provisional decision, I think this was a complex scam. I don't think Mr O acted in a dishonest way. I think Mr O was just being used to accept the payment and forward it on, I don't believe Mr O was scamming the buyer.

And I can see Mr O contacted the buyer and tried to help as best he could. I can also see Mr O reported the matter to the police and tried to take things further when it became clear

the police wouldn't be investigating what happened.

Mr O says eBay didn't respond to his complaint letters. I can see from the chats eBay's supplied, Mr O asked how to contact eBay to raise a complaint. I can also see eBay didn't send a final response until this service got involved.

But Mr O already knew he could bring his complaint to this service, he'd told eBay that in one of the chats. Whilst I accept eBay didn't send a response to Mr O's complaint before he came to this service, I don't think this stopped him from bringing his complaint here.

And I have to be mindful eBay refunded the final value fee and listing fee, meaning Mr O no longer had an outstanding balance on his account. I'm not entirely persuaded eBay had to make this refund.

If I was to say Mr O should be paid something towards the inconvenience he experienced when eBay didn't respond to his complaint, I'd have to balance any payment against the large refund it's already made. In the circumstances, I wouldn't ask eBay to pay more than it's already refunded to Mr O.

So, I don't think eBay did everything right here – but I think it did do a lot of things right. I think eBay protected Mr O from a significant further loss and refunded the fees he'd been charged. Overall, I think this action outweighs the poor service eBay provided to Mr O.

Putting things right

eBay has already brought Mr O's account to a zero balance, by refunding all the fees it charged. In the circumstances, this seems a very fair resolution to Mr O's complaint.

My final decision

My final decision is I uphold Mr O's complaint, but eBay has already fairly resolved things, so I don't think it needs to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 29 December 2022.

Chris Russ
Ombudsman