

The complaint

Mr G complains that eBay Commerce UK Ltd won't release funds from his account.

What happened

Mr G says that after being a private seller on eBay for 19 years, he was told he would need to provide a full copy of his passport or photo driving licence, his seller's account would be restricted. He says he was given to 30 September 2022 to comply with eBay's request.

Mr G was concerned about providing photographic ID to eBay for security reasons. He assumed any transactions completed prior to the cut-off date eBay had given would be okay. He sold six items from 7 September to 28 September with a total net value of around £240. eBay allowed the transactions to go through but said it wouldn't release the payments to Mr G until he provided the ID it had requested.

Mr G says he spoke to several eBay agents and one told him a government letter showing his name and address would suffice. Mr G provided a letter from the DWP which included his national insurance number but was told this wasn't acceptable.

Mr G says he asked eBay to close his accounts and pay him what he was owed or change the balance to a credit he could use for eBay purchases. However, eBay didn't agree. So, Mr G asked our service to consider his complaint.

Our investigator looked into Mr G's concerns but didn't think his complaint should be upheld. She thought eBay had acted fairly and in line with the terms and conditions of its managed payment service.

Mr G disagreed with our investigator's outcome. In summary, Mr G felt he'd already provided eBay with sufficient proof of his identity. He didn't think it was fair that all other stages of the eBay transaction were allowed to proceed, apart from the last – making the payment. He questioned if this was a form of coercion to make him comply. He was concerned about his privacy and security being affected by eBay having his photo image.

Mr G also commented that some eBay sellers aren't currently subject to the terms eBay has applied because not everyone has changed to eBay's managed payments. He said eBay was choosing to apply the terms rather than being legally required to and in doing so, it was being selective of which part of the transactions the terms were applied to.

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 Mr G's complaint. I'll explain why.

eBay says Mr G joined its managed payments service in October 2021. In doing so, he would have agreed to its payments terms of use, which say a seller must:

“Provide us with all information which we may require for purposes that include: verifying your identity, complying with applicable anti-laundering and sanctions screening obligations, allowing us to manage settlements of your transaction proceeds, and assessing fraud and risk. If you are an individual, this information may include, without limitation, your full name, address, phone number, date of birth, taxpayer identification number, bank account information and a form of government-issued identification (e.g., a copy of your identity card or driver’s license.”

The terms of use go on to say that eBay 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.”*

I appreciate Mr G feels he had already provided sufficient proof of his identity. However, eBay’s website says: *“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”*

Mr G says he didn’t want to provide photographic identification to eBay for security reasons. So, it doesn’t appear to be the case that he’s unable to provide the documents eBay requested.

Mr G has commented that eBay selectively applies its terms by allowing sellers to complete their part of the transaction but demands photo ID before releasing payments. He’s also commented that some eBay sellers aren’t subjected to the same terms because they haven’t yet switched over to eBay’s managed payments service.

eBay Commerce UK Ltd 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.

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.

Mr G says he was given up to 30 September 2022 to comply with eBay’s request to provide photo ID. He thought transactions that went ahead prior to that date would go through. However, he’s provided a copy of an email from eBay dated 14 September 2022, which says:

“We recently asked you to review and update some details on your eBay account. Looks like you haven’t made any updates yet. Your payouts will be on hold until you fix this. Please do this by 2022-10-05 to get your account back in good standing”.

So, I'm satisfied that eBay made it clear that payments were on hold, prior to the transactions carried out on 27 and 28 September.

eBay says it is willing to give Mr G access to his funds once he provides the requested documentation. So, if he wants to provide this now, he can. But, as he 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 Mr G, 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 Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 April 2023.

Anne Muscroft
Ombudsman