

The complaint

Mr M complains about the actions of eBay Commerce UK Ltd after a restriction was placed on his account and funds were withheld from him. He's also raised concerns about refunds issued to a buyer who had raised disputes.

What happened

In late 2022, a restriction was placed on Mr M's eBay account. Mr M was told that his selling privileges were temporarily restricted. He wouldn't be able to create new listings or revise any live listings on eBay's site, and a number of his listings had been removed.

Mr M was told that his payouts would be withheld until his account restriction was resolved. He was asked to provide some documentation and resolve any outstanding issues with buyers.

Mr M complained to eBay but the matter wasn't resolved so he asked our service to consider his concerns. Mr M didn't think it was fair for eBay to withhold funds for items he'd sold prior to the restriction being placed on his account. He wanted the funds to be released, including the amounts he said he'd been forced to accept returns on. Mr M also asked that he be compensated for the stress and inconvenience he experienced from his account being suspended and the suspension not being removed after he was promised it would be.

Our investigator looked into Mr M's concerns, but she didn't think his complaint should be upheld. She explained that our service doesn't have the power to consider some of the matters Mr M had raised as they related to eBay as an online auction site and marketplace. She said our service can only consider complaints against eBay Commerce as a separate business that provides payment services. She was satisfied eBay Commerce had acted fairly and in line with its payments terms of use.

Mr M disagreed with our investigator's outcome. He said one of the main issues was that eBay denied him the right to appeal against its decision to refund a buyer who fraudulently used products he'd sent and returned them empty. So, his 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 M's complaint. I'll explain why.

I'd like to reassure Mr M that I have considered all of his points. I've focused my comments on what I think is relevant. If I haven't commented on any specific point, it's because I don't believe it has affected what I think is the right outcome.

The rules that apply to this service say that we can only consider complaints about businesses that are authorised by the Financial Conduct Authority (FCA) to carry out certain activities, which include regulated activities and payment services. These rules are

contained in the FCA Handbook (available online) and are known as DISP. The relevant section here is DISP 2.3.1R.

eBay as an online marketplace and auction site isn't a regulated financial business, so we can't consider complaints about it. But we can consider complaints about certain other eBay companies where they are regulated. Here that means we can consider part of Mr M's complaint against eBay Commerce UK Ltd, where it relates to an activity that it is regulated for – this activity being a specific type of payment service.

eBay has provided a screenshot to show that Mr M signed up to its managed payments service in December 2022. We've shared this screenshot with Mr M who has commented that it shows he opened the account in 2017. Mr M says this is when he would have accepted eBay's terms.

However, as explained eBay Commerce is a different company to eBay as marketplace. Mr M may have opened his account with eBay as a marketplace in 2017. But I'm satisfied from what I've seen that Mr M joined eBay Commerce's managed payments service in December 2022. And when he did so, he would have agreed to eBay Commerce's payments terms of use. So, I've considered if eBay has acted fairly and in line with these terms.

Holds placed on funds

eBay's payments terms of use say it may place restrictions on access to a seller's funds when deemed necessary. It says: "*A hold may be placed 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 or if your buyer files a dispute.*" There is a link to the "*holds help page*" for more detail on the hold types and examples.

I appreciate it was frustrating for Mr M to have a restriction placed on his account. I can see he provided the documents eBay asked for almost straight away. However, eBay says it wasn't able to remove the restriction because of some unresolved buyer disputes. And I can see eBay told Mr M that the buyers' concerns needed to be addressed before the selling restriction could be removed. eBay later informed Mr M that it had suspended his account because of concerns about its security. Having reviewed the information eBay has provided, I'm satisfied that its actions were reasonable and in line with its terms of use.

Buyer disputes

I understand Mr M is unhappy about the decision to refund a buyer for several transactions through eBay's money back guarantee policy. Mr M says the buyer's claims were fraudulent and he hasn't been given the opportunity to appeal. However, eBay's money back guarantee is a service offered by eBay UK as a marketplace, rather than eBay Commerce. This means that I can't consider the fairness of this decision, or the concerns Mr M has raised about not being able to appeal against it.

However, I can consider the actions of eBay Commerce in providing the payment service to Mr M. eBay's payments terms of use sets out what happens if a buyer successfully files a claim under the eBay Money Back Guarantee. It says the eBay company offering the eBay Buyer Protection Program ("eMBG Service Provider") will reimburse the buyer the amount owed on the seller's behalf. And the seller is required to reimburse the eMBG Service Provider for any such amounts.

In agreeing to eBay's payment terms of use, Mr M gave it authority to collect "*owed amounts*" by various means including recouping from his linked financial account. So, I don't

think it was unfair for eBay to have debited funds from Mr M's bank account when there wasn't sufficient money in his eBay account to cover refunds to the buyers.

Account balance

Our investigator explained to Mr M that she was satisfied there was a negative balance of £229.48 on his eBay account, according to the most recent information eBay has provided. Mr M hasn't disputed what our investigator has said about this. So, I don't think it's necessary for me to comment further.

I know my answer will be disappointing for Mr M. But, as explained, I'm unable to consider all of the issues he's raised. I'm satisfied that eBay Commerce has acted fairly and in line with its terms of use. So, I haven't found reason to uphold his complaint.

My final decision

For the reasons I've explained, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 June 2023.

Anne Muscroft
Ombudsman