

## The complaint

Mr S complains as a director of S, a limited company, that eBay Commerce UK Ltd issued a refund to a buyer after she had raised a dispute.

Mr S also raised concerns about some other issues when he brought S's complaint to our service. However, these matters appear to have been resolved, so I've not referred to them in my decision.

## What happened

In mid-2022, eBay notified S that a buyer had raised a dispute with the financial institution she'd used to pay for the television S had sold her. S responded to the dispute a couple of days later, uploading a photograph of the switched on television.

Mr S raised a complaint with eBay as S's funds were placed on hold. eBay said it was up to the buyer's financial institution to decide on the outcome of a dispute. It said it was required to place a hold on the dispute amount until the dispute was resolved. The dispute was later closed in the buyer's favour and eBay refunded the money to her from S's account. Mr S didn't think this was fair.

I issued a provisional decision on 14 July 2023, where I explained why I intended to uphold S's complaint in part. In that decision I said:

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

*Based on what I've seen so far, I'm not persuaded that eBay is responsible for the dispute being found in the buyer's favour. So, I don't intend to direct eBay to pay the redress our investigator recommended. I'll explain why.*

*Both parties have provided further evidence since our investigator reached an outcome to the complaint. I've considered this along with all of the other information we have.*

*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 S'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.*

*S's complaint is about a dispute the buyer of the item raised via their payment institution. This is something I can look at as an extension of eBay's managed payment service. So, I*

can consider the actions of eBay Commerce UK Ltd, so far as S's complaint arises out of its relationship with it.

Here eBay Commerce UK Ltd is providing a payment service to S. It refers to this service as "Managed Payments" and the relevant terms relating to this are contained in eBay's "Payments Terms of Use". These explain that the final outcome of a dispute will be decided by the buyer's financial institution. They go on to say how eBay will manage the dispute: it will notify a managed payments user (here S) of a dispute and then gather any information a customer wishes to provide, before submitting that to the relevant payment institution.

To be clear, it's not our service's role to decide on the merits of the underlying dispute. Nor was it eBay's role to do so, given that the decision was made by the buyer's financial institution. I've needed to consider whether eBay has acted fairly and reasonably in dealing with the dispute for S.

When the buyer's dispute was raised in July 2022, eBay's system would only allow it to upload one file in response. eBay has acknowledged this limited a seller's ability to defend a dispute. However, it doesn't believe that S would have been able to provide compelling evidence to successfully defend the dispute even if it had been allowed to upload more. Mr S has sent us further documents to support S's defence of the dispute. So, I've thought about whether or not these would likely have made a difference to the outcome of it.

eBay has sent us screenshots of the information the buyer provided to their payment institution when they raised the dispute.

There is a note from the buyer which says:

"I have showed the TV screen how it is when the TV is off and how it looks when the TV is turned on".

There are two photographs of the television and one of these shows cracks which look like they are inside the screen.

In the "issue description" box it says:

"Ordered TV back in May, courier service delivered the TV removed it from the box the box [sic] appeared to be working okay. The delivery man then dropped the TV back into the box at which the TV was left there until we needed it. Kitchen finally completed a few days ago when the TV is now ready to be mounted to the wall. TV removed from box and all the screen appears to be malfunctioned. There is no other explanation as to why this has happened other than the delivery man dropping the TV back into the box. The box nor the TV has been moved or touched since the day it was delivered but we are now stuck with a TV that was left with us unfit for purpose. Help with this one is much appreciated as I have contacted the supplier and they are not willing to take any form of blame."

Mr S has provided evidence to show the item was delivered, including a delivery note that appears to have been signed by the buyer. However, I'm not persuaded uploading this information in defence of the dispute would have made a difference to the outcome of it. I say this because the claim was for an item "not as described" rather than "not received". The fact that the television was successfully delivered to the buyer wasn't in dispute.

Mr S has also sent us a transcript of the messages between him and the buyer which were sent prior to the dispute being raised. However, these messages don't contradict what the buyer said in her dispute. So, I don't think these would likely have made a difference to the payment institution's outcome to the dispute either.

*I appreciate Mr S believes the buyer's dispute shouldn't have been successful because she didn't raise it until around eight weeks after the television was delivered. However, the buyer had referred to this timeframe in her issue description to the payment institution. So, I don't think further information from S or eBay would likely have made a difference to the payment institution's decision.*

*eBay has provided tracking information to show that the buyer returned the television to S. And Mr S has confirmed he received it back.*

*eBay says S doesn't qualify for seller protection. And, having reviewed the eligibility criteria, I'm satisfied seller protection doesn't apply.*

*In its response to our investigator's outcome, eBay offered S £50 to compensate it for inconvenience caused. I think this fairly recognises any inconvenience S may have experienced as a result of not being able to upload more documents.*

*I appreciate my answer will be disappointing to Mr S who strongly believes that the buyer's dispute should have been unsuccessful. However, having considered everything carefully, I'm not persuaded that there was anything eBay could have done to have changed the outcome of it. So, it wouldn't be fair for me to tell eBay to refund S the cost of the television."*

I set out what I intended to direct eBay to do to put things right. And I gave both parties the opportunity to send me any further information or comments they wanted me to consider before I issued my final decision.

## **Responses**

eBay said it would like to accept my recommendation of £50 for the inconvenience to S.

Mr S said he believed eBay had unlawfully removed funds from S's business account to provide a refund to a customer who was not entitled to one. He said the customer was inferring the unit was damaged while being placed back in the box at the customer's request. Ordinarily S would not re-box a TV. At that point the customer signed for the TV and agreed it was in complete working order.

Mr S provided an email from TV repair centre concluding that the TV screen had been hit in the centre, directly on the surface causing it to shatter. The email said something or someone had hit the screen causing extensive damage.

Mr S said if re-boxing had been the cause of the damage, it would have manifested at the bottom edge of the screen where the impact would have occurred. Given the 8 week time delay in the customer raising the issue and considering extensive building works were taking place in her property, Mr S suggested the most likely cause of damage was some accidental impact.

Mr S said he strongly believes it is the responsibility of eBay to reimburse S in full, covering funds removed from its account. Should eBay look to recover these funds, its route would be via the customer or her financial institution. This wasn't something S could do as it would contravene GDPR rules and regulations.

## **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.

In my provisional decision I explained that it wasn't eBay's role to decide on the merits of the underlying dispute. eBay's role was to notify S of the dispute and gather any information a customer wishes to provide, before submitting that to the relevant payment institution.

eBay has acknowledged that S's ability to defend the dispute was limited because its system would only allow sellers to upload one file in response. So, I considered whether it was likely that the buyer's financial institution would have made a different decision if Mr S had been able to upload all of the information he'd wanted to when he was defending the dispute.

Mr S has provided additional information in response to my provisional decision. However, given he has only recently acquired this, I'm not persuaded he would have uploaded it to eBay's system at the time of the dispute.

I appreciate Mr S thinks eBay shouldn't have removed funds from S's account to refund the buyer and he strongly believes that eBay should reimburse S.

However, eBay's payments terms of use say:

*"If you accept the Dispute or if the buyer's financial institution decides in favor of the buyer, the respective amount will be refunded to the buyer's original payment method and charged to us. You must reimburse us for such charges, unless you are eligible for seller protection in which case you are not held liable for amounts refunded to the buyer."*

Having reviewed eBay's eligibility criteria, I'm satisfied that S doesn't qualify for seller protection. Given that the buyer's financial institution decided the dispute in the buyer's favour, I can't say it was unfair for eBay to have refunded her and taken the funds from S's account.

I appreciate this isn't the answer Mr S was hoping for, but the additional information he's provided doesn't make a difference to the conclusions I reached in my provisional decision. I don't think it's likely he would have uploaded this information in response to the dispute, even if eBay's systems had allowed him to. And I'm satisfied that eBay acted in line with its terms of use when it refunded the buyer and took the funds from S's account.

eBay has offered to pay S £50 for inconvenience it may have experienced as a result of not being able to upload more documents. I think this is fair and reasonable under the circumstances.

### **Putting things right**

eBay should pay S £50 for inconvenience.

### **My final decision**

For the reasons I've explained, I uphold S's complaint in part and direct eBay Commerce UK Ltd to pay it £50 for inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 23 August 2023.

Anne Muscroft  
**Ombudsman**