

## **The complaint**

Mr M has complained that eBay Commerce UK Ltd (“eBay”) placed restrictions on his account that prevented him from withdrawing money from his eBay payment account.

## **What happened**

To verify Mr M's bank details, Mr M says that eBay sent him two micro deposits to his bank account in February 2023 and asked him to verify the amounts that were paid into his account. However, Mr M said that when he entered the amounts, there was an error with eBay's system.

eBay then sent two microdeposits in June 2023 to Mr M's account and asked him to verify his account details by stating the amounts that were paid into his account. However, Mr M says he was unable to go to a bank branch to verify the amount credited into his account as he says he was too busy.

Unhappy with this, Mr M raised a complaint with eBay. eBay sent a message to Mr M saying that the complaint had been resolved. However, as the restrictions were still on Mr M's eBay account, Mr M referred his complaint to this service.

One of our investigators assessed the complaint and they upheld the complaint and said that eBay should pay Mr M £440 – which reflects Mr M saying he spent 5 hours in his bank branch trying to obtain the information from his account.

eBay didn't accept the investigator's assessment. Firstly, it offered £100 to resolve this complaint, which Mr M didn't accept. It then increased its offer to £200. However, as Mr M didn't accept the offer, the matter was referred for an ombudsman's decision.

I then issued a provisional decision on 27 February 2025 explaining why I thought that eBay Commerce UK Ltd's offer to pay Mr M £200 was reasonable. I have included an extract of my provisional decision below, and it forms a part of this decision.

### ***“What I've provisionally 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 reconsidered everything, including Mr M's response to my provisional decision, I'm still of the view that eBay's offer to pay £200 compensation is reasonable. I will explain why.*

*Firstly, in terms of the complaint being set up against Mr M's business rather than him personally, having confirmed that the eBay account was in fact a personal*

*account, I have reconsidered the complaint in light of this affecting Mr M personally, rather than it affecting a limited company.*

*As I said in my previous provisional decision, I can't say that eBay was being unfair or unreasonable in asking Mr M to verify his identity and checking that the linked bank account was actually his. I also think that the method that eBay used to achieve the latter i.e. to send micro deposits to Mr M's bank account for him to confirm how much had been sent, was a reasonable and proportionate way to do this. Therefore, although doing this clearly caused Mr M inconvenience, as it meant he had to visit his bank branch as he says he doesn't have online banking, I don't think it would be appropriate to award compensation just because it had required him to do that in the first place.*

*However, having said that, I do think that some compensation is warranted here. Because as Mr M has said, he was sent micro deposits twice and he says that when he entered them on eBay's system, they were not recognised. And from the evidence I have seen, I'm satisfied that Mr M did have problems verifying the micro deposits that'd been sent to him.*

*Mr M says that when he went to his bank branch, he was told he couldn't access his account transactions or statements from a cash machine. I understand this led to him having to queue up instead to get that information - resulting in him having to wait in branch for quite some time. However, it seems he was given incorrect information by the branch staff, because looking at the website for his bank, it says that mini statements are available from the bank's own cash machines. But I don't think it would be appropriate to say that eBay should pay Mr M compensation for any added inconvenience he may've experienced if he was given wrong information from his bank.*

*Also, whilst I accept that there clearly was an error occurring when Mr M says that he entered the micro deposit amounts, there is also evidence that when eBay resent a micro deposit to Mr M, in an attempt to resolve matters for him, he refused to verify the amounts sent. Of course, Mr M was free to refuse to do that. And I can understand Mr M's frustration with the matter. But at the same time, I don't think it would be fair to say that eBay should pay increased compensation to Mr M for the added delays caused by him not taking reasonable steps in which to resolve matters.*

*As a final point, in addition to Mr M's bank account needing to be verified, I can also see that he needed to provide ID to verify his identity, and this still had not been done by 20 July 2023. Therefore, whilst I note that Mr M found it inconvenient to find the two micro deposit amounts, he had also not complied with eBay's Know Your Customer (KYC) identity checks either – the latter of which I'm satisfied that eBay had reasonable grounds to ask for to ensure that it complied with the relevant regulations. And so, I think that the inconvenience caused to Mr M by the restriction that had been placed on his eBay account would've still continued up until at least July 2023, because he had not complied with eBay's other request.*

*I recognise Mr M has personally been caused some inconvenience here and that was, in part, due to the initial issues he faced entering the micro deposit amounts into eBay's verification system. But I also think that Mr M contributed to the matter by refusing to comply with a reasonable request from eBay and his delay in taking steps*

*to verify his identity. So overall, I still think that what eBay ultimately offered, i.e. £200 compensation, fairly reflects the inconvenience that was caused to Mr M by this matter.*

### ***Putting matters right***

*So, to put matters right, I intend to say that eBay should pay Mr M £200 for the inconvenience caused to it by this matter.”*

After I issued my provisional decision, eBay responded and said that it agreed with my decision and said that it'd paid the £200 into Mr M's account already. Mr M also responded, but he didn't accept the decision. In summary he said:

- He'd had an account with eBay for a number of years and eBay was fully aware of his bank account details since 2019, and his bank details had not changed since then. Mr M says that eBay caused an unnecessary amount of stress asking him to verify his bank details when it already knew what they were.
- eBay's actions were totally intentional and deliberate, providing him with lots and lots of inconveniences. He says eBay held his funds illegally, and did not allow him to use his money, which he was legally entitled to.
- He'd told eBay that all of his details were up-to-date and asked eBay not to make it difficult for him to access his money.
- That eBay took its fees from the sales he'd made, the buyer had received the goods but he was left out of pocket.
- eBay's behaviour towards him was inhumane and illegal and eBay did not have the legal right to hold his payment, which he was owed.

### **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 reconsidered this complaint, including Mr M's responses to my provisional decisions, I still remain of the view that the £200 compensation offered by eBay is fair and reasonable.

Mr M says that he had his account with eBay for many years and that none of his details, including his bank account, had changed. And I've seen nothing to suggest that any of his details did change. But that doesn't mean that eBay was being unreasonable in asking Mr M to verify his identity and that the bank account linked to his account was his. I will explain why.

I think it may help to explain that, I understand the reason why eBay Commerce needed to verify this information is because, eBay marketplace previously used another company to process payments on its behalf. But eBay took the decision to process payments 'in house'. To do this it arranged for eBay Commerce UK Ltd to manage payment accounts for its marketplace customers.

And to use eBay Commerce's payment services, Mr M would've needed to have agreed to its Payments Terms of Use. Under *Section 7 Using Managed Payments* it says:

*“We reserve the right to manage the risks associated with providing you the Payment Services, by placing restrictions on your access to your funds when deemed necessary, as described in further detail below.*

*You agree that we may place holds on your funds or instruct a payment service provider to hold your funds, prior to disbursement....*

*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...”*

So based on the above, I'm satisfied that eBay Commerce was acting within the terms of its Payments terms of use in placing a hold on Mr M's account, whilst it waited for him to verify his identity and to verify the bank account linked to his account was his.

So I accept that Mr M's details may not have changed in the years he used eBay's marketplace service. But the 'new' payment service provider, eBay Commerce UK Ltd, would've still been required to, at some point, independently verify Mr M's identity and to have checked that the linked account was his.

So whilst Mr M says that such a hold was illegal, I don't agree. I think that eBay was acting within the terms use, which Mr M would've needed to have agreed to, to use the service. And that eBay was requesting information it needed, to ensure that it was complying with its regulatory requirements. And I think the steps eBay took to verify Mr M's identity and his bank account were reasonable. So, I can't agree with Mr M that eBay's actions were 'inhumane', or indeed unreasonable.

Having considered what Mr M has said, as I have said before, I accept that there may've been a technical issue when it came to him stating how much had been paid into his bank account from eBay. That said, I have also seen evidence of Mr M refusing to comply with eBay's requests – which clearly would've added to the amount of time that he was unable to access his money. Therefore, I accept that eBay's systems may not have initially worked as they should've. But I think the £200 compensation offered by eBay, to reflect the impact this matter had on Mr M is fair. But equally, I think Mr M's refusal to follow the verification steps contributed to him not being able to access his money. So, I don't think it would be appropriate to say that further redress should be paid to him.

### **Putting things right**

To put things right, eBay should pay Mr M £200 compensation that it offered.

eBay has since said that it has already paid this money to Mr M. So providing that it actually has paid this money to Mr M, then I don't think eBay needs to do anything further in relation to this complaint.

### **My final decision**

Because of the reasons given above and in my most recent provisional decision, I uphold this complaint and require eBay Commerce UK Ltd to do what I have outlined above (if it has not done so already), to put matters right in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 April 2025.

Thomas White  
**Ombudsman**