

The complaint

Mr P complains about eBay Commerce UK Ltd trading as eBay after a hold was placed on his funds from an item he sold.

What happened

In late 2023 Mr P sold an item through eBay marketplace, following the sale of the item Mr P's funds from the sale weren't released. Initially Mr P says the hold was for a few days as he needed to verify his bank details. But after this cleared a further hold was placed on the funds and the funds were to be held for 30 days.

Unhappy with this Mr P complained to eBay. eBay say the terms and conditions relating to holds set out the reasons it may withhold funds from a sale. It didn't think it had done anything wrong so didn't uphold his complaint.

Mr P remained unhappy, he said he understood a hold could be placed but he felt he wasn't given the information on the hold to be able to make an informed decision on whether to proceed with the sale. He says if he had known about the hold he wouldn't have sold the item through eBay.

Our investigator looked into Mr P'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 P 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 P disagreed with our investigator's outcome. He said one of the main issues was that eBay failed to provide him clear information and he would have cancelled the sale if he had been notified about the longer hold period sooner. 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 P's complaint. I'll explain why.

I'd like to reassure Mr P 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 P's complaint against eBay Commerce UK Ltd trading as eBay, 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 what information Mr P would have been provided when listing his item for sale. For Mr P to have continued with the sale he would have needed to agree to various terms such as, the User Agreement, Payment Terms of Use, Marketing Program Terms and User Privacy Notice.

I'm satisfied from what I've seen that Mr P would have joined eBay Commerce's managed payments service. 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.

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. Please see our holds help page for more detail on the hold types and examples."* The link to the "holds help page" has more detail on the hold types and examples.

Within this link it sets out some examples of why there maybe a hold placed on the account, the relevant parts for this complaint here are:

"Transaction holds..."

- ***New or infrequent sellers*** will experience transaction holds while learning best selling practices. This helps sellers become established and build a strong selling history on eBay. New sellers typically experience holds for up to 14 days, although sometimes it may be longer...
- ***High priced items or unusual selling patterns*** may lead to transaction holds for up to 30 days to help us ensure that buyers don't have any issues with the order"

I appreciate it was frustrating for Mr P to have a restriction placed on his account. And I know he had a number of conversations with eBay about the hold and how he could remove it. But I can see eBay told Mr P that it couldn't reverse the hold or shorten the length of time his funds were on hold.

Having reviewed the information eBay has provided, I'm satisfied that its actions were reasonable and in line with its terms of use. This is because Mr P was selling what eBay classified as a "high priced item" – a recently release mobile phone. eBay also said Mr P had very limited recent selling history. A combination of those factors meant eBay decided to place a hold on the funds, I don't think this was unreasonable.

Mr P has mentioned he understands the need for eBay to place holds, but says he wasn't provided the information clearly. I've said above that this information would have been available to him when he was going to list his item for sale. It's not reasonable to expect eBay to list every part of their policy that *may* apply to a sale, as that would be dependent on the individual circumstances of that particular sale. eBay needed to ensure that the

information was available to Mr P when he was going to list an item for sale, and I'm satisfied eBay did make it sufficiently clear what terms would apply to the sale. It was then for Mr P to satisfy himself as to whether or not he wanted to proceed with the sale.

Mr P has also said that if the hold information had appeared immediately after the sale, he could have decided to cancel the sale and retain his item. But from the information I've been provided there was a prior hold on the account which was due to Mr P needing to verify information because this had recently been updated.

eBay say it's systems can only highlight one hold at a time and normally the hold for the high priced item should have appeared on Mr P's account. But because Mr P needed to verify his new bank details this only appeared later. I can't say eBay were responsible to the need to update the details as that was something Mr P needed to do; it was just unfortunate for him that he decided to do this around the time he had sold his item. I'm not persuaded that eBay did anything unfair here.

I know my decision will be disappointing for Mr P, but I'm satisfied that eBay has acted fairly and reasonably, in line with its terms of use.

My final decision

For the reasons mentioned above, I don't uphold Mr P's complaint about eBay Commerce UK Ltd trading as eBay.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 July 2024.

Jag Dhuphar
Ombudsman