

The complaint

Mr A complains that eBay Commerce UK Ltd held on to money in his account without justification for three weeks, and he would like compensation. I have described the consumer as 'Mr A' as to use the single letter of his surname could identify him.

What happened

I sent the parties a provisional decision earlier this month, in which I set out the following background information to the complaint and my provisional findings, as follows:

'Mr A said on 24 November 2022, he received an email from eBay stating that it had frozen his money and wouldn't make payment for items he had recently sold until he verified his bank account. He said eBay told him it couldn't verify his bank account, despite his having the same bank account on his eBay account for almost two years with no issues.

Mr A said he provided the necessary information, but part of the form requested his 'Legal surname'. He gave his single initial surname, but the system said this was invalid. Mr A said he called eBay and was told to add a full stop after the letter of his surname, and he said once he did this his account was verified and he received his payment.

Mr A received another email from eBay on 22 December requiring him to verify his bank account again and he provided the required information. He said despite multiple attempts this didn't work and eBay froze his funds of £110. Mr A said he had just moved home, was in debt and felt extremely stressed. He said on 30 December 2022 another email from eBay told him to provide the information requested or his account would remain on hold. He called eBay and tried various suggestions that didn't work and was promised a call back.

Mr A called eBay again on 4 January 2023 and tried various means of completing the form again but without success. He said he explained that he needed his money urgently and was told a manual approval of the system should be possible by 6 January, but he only received the same 'Action Needed' email from eBay. Mr A said many calls followed to eBay with a lack of resolution of the issue despite promises. But rather than calling him back as promised, eBay emailed him to say his complaint had been resolved.

eBay called Mr A on 12 January that he was now verified, and the delays weren't necessary. Mr A received the £110 payment into his bank account on 13 January. He complained but said eBay's only response was his account was verified and payments resumed and so his complaint was resolved. Mr A said this was an appalling and outrageous response to how he was treated for three weeks after going through so much stress, and anxiety.

As Mr A wasn't satisfied with eBay's response he referred his complaint to our service and said he would like compensation for the three weeks 'of hell they put me through'. Our investigator didn't recommend the complaint be upheld as eBay couldn't verify his identity due to his surname containing one letter and so it needed to be manually reviewed. He said on 30 December 2022 eBay was aware Mr A couldn't verify his account, and resolved this in 13 days, rather than the three weeks Mr A mentioned, which he thought was reasonable.

Mr A disagreed with this outcome and requested an ombudsman review his complaint. He said the period of his 'ordeal' lasted from 22 December 2022 to 13 January 2023, not 13 days. And this after he had been using the eBay account to buy and sell for almost two years

without issue. He said he'd wasted so much time explaining everything over and over again to various people, being put on hold many times and not receiving promised call backs.

Mr A said eBay's system was at fault and the investigator was wrong that it was rectified in reasonable time. He said it wasn't just an administrative delay, it was avoidable exacerbated by miscommunications and broken promises. Mr A said the investigator's reference to eBay's Terms of Use and the necessity for sellers to be verified to comply with regulations suggested that the verification process was standard, but it hadn't been standard for him.

Mr A said the Financial Conduct Authority requires firms to pay due regard to the information needs of its clients, and communicate in a clear, fair and not misleading way and treat them fairly. But this was not his experience and its response to his complaint was inadequate and dismissive given its awareness of his urgent rent payment.

What I've provisionally decided – and why

Mr A said eBay claimed it couldn't verify his bank account although no details had changed. I was sorry to learn that what should have been a straightforward verification process has turned into a prolonged and drawn-out experience full of stress and anxiety for Mr A. Part of my role is to decide whether what took place was reasonable and whether eBay followed the process correctly. If it hasn't then I will consider if an award of compensation would be fair.

I hope that Mr A won't consider it a discourtesy that I haven't addressed in this decision every point that he has made, though I've looked at them. I have concentrated on what I consider to be the heart of his complaint, the service from eBay regarding its verification of his account.

As per eBay's 'Payments Terms of Use', which Mr A agreed to in 2021, eBay need to verify all sellers to comply with anti-money laundering and sanctions screening obligations. Mr A's surname is just one letter, but eBay said its system prevents a member entering one letter for both first and surname. eBay advised Mr A to place a full stop after his surname to help overcome the system issue, but this didn't work. As Mr A's identity and bank information couldn't be verified automatically, it required a manual review, which was arranged, and the details were successfully verified.

I can see that Mr A had held an account with eBay for several months before he was required to verify his identity in November 2022. Although this was carried out quite quickly he received another email on 22 December requiring him to verify his bank account again. It is not clear to me why this was necessary given that eBay had successfully processed micro deposits on 28 November and Mr A hadn't changed his account details.

My understanding is that Mr A's account was on hold from 22 December until 13 January 2023 when it unblocked. eBay has confirmed that Mr A tried to meet its verification requirements on 22 December by uploading his identity documents and completing its online form. After repeated attempts he contacted eBay on 30 December. This means Mr A was unable to receive payments for three weeks. Mr A has explained the distress this caused him in not being able to pay his rent and I can see that he made eBay aware of this. Mr A hasn't described any actual financial loss from this situation.

I can understand Mr A's huge frustration in not overcoming the input issue of his single letter surname, despite promises from eBay that it would be resolved. In his attempts to meet eBay's verification requirements Mr A had multiple calls and emails with eBay where he had to repeat the issue. He also made many attempts to complete his details online but without success even though he was following eBay's guidance about this.

eBay seems to have been aware that a workaround involving manual intervention was required, but there was a delay before this was implemented. During this time Mr A's communications with eBay were characterised with conflicting and incorrect information about how to overcome the block on his account. I can see he had to chase eBay to make

progress and on occasions eBay failed to call him back as promised. All of this would have added to Mr A's stress.

Although, overall the delay in verification was not very long and the amount of funds held in Mr A's account was only £110, I think eBay's response to this issue should have had more urgency and could have shown more empathy to Mr A's situation. I imagine Mr A has faced and will face other problems in dealing with businesses given his one letter surname. However, eBay needs to ensure its systems meet the particular circumstances of individual customers and provide prompt responses when problems arise.

eBay says that it does not offer compensation for system issues or inconveniences but works hard to rectify them for its users. However, we think that when problems aren't rectified promptly compensation may be appropriate. In respect of Mr A's complaint I think a payment of £100 compensation would be fair and reasonable for the distress and inconvenience he has been caused.

My provisional decision and the parties' responses

I provisionally decided to uphold the complaint in part. I intended to require eBay to pay Mr A £100 compensation for the distress and inconvenience its poor service and confusion caused him.

Mr A responded that he is glad that his complaint has been upheld by the Ombudsman, and that he is happy with the outcome of the £100 compensation to be awarded. Mr A didn't have anything further to add as the provisional decision had captured the primary points well.

eBay responded to say that it had no additional points to add. It said it accepts the provisional decision of paying £100 compensation to Mr A.

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.

I have looked again at the circumstances of this complaint again, and having done so I remain of the view that the resolution of this complaint should be as set out within my provisional decision.

The primary reason for upholding the complaint is that eBay didn't rectify the account problems Mr A faced promptly and he was caused distress and inconvenience in his attempts to resolve the issues.

And so for the reasons I have set out within my provisional decision (above), I still think a payment of £100 compensation to Mr A would be fair and reasonable for the distress and inconvenience he has been caused.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld in part. I require eBay Commerce UK Ltd to pay Mr A £100 compensation for the distress and inconvenience he has been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 August 2024.

Andrew Fraser
Ombudsman