

The complaint

Mr and Mrs S have complained that eBay Commerce UK Ltd (eBay) would not release money Mrs S had received from selling an item on eBay's marketplace, until Mrs S provided photo ID.

What happened

After selling an item on eBay's marketplace, the money from the sale was received into Mrs S's eBay payment account. However, eBay placed a block on the account and said that Mrs S would need to provide photo ID to remove the block, before it would release the money to her.

Unhappy with this, Mr and Mrs S complained to eBay. However, eBay didn't uphold the complaint as it said that Mrs S had received the correct information as per its policies.

After Mr and Mrs S referred the complaint to this service, one of our investigators assessed the complaint and they didn't uphold the complaint. In summary the investigator concluded that eBay's request was reasonable and consistent with the terms and conditions of the account.

As Mr and Mrs S didn't accept the investigator's assessment, the matter was referred for an ombudsman's decision.

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.

It's very clear from the information Mr and Mrs S have given our service that they feel very strongly about their complaint. I've read through the information, and having done so, I've decided not to uphold this complaint. I know this will come as a disappointment to Mr and Mrs S, but I hope after considering my reasoning, they will understand how and why I reached my outcome.

eBay Commerce UK Ltd is regulated by the Financial Conduct Authority (FCA) as a payment service provider. This means it has an obligation to comply with Know Your Customer requirements and money laundering regulations and legislation - which include the requirement that payment service providers verify a customer's identity.

I understand that Mrs S has previously received payments from her eBay payment account without the need for ID. So, Mr and Mrs S have questioned why is Mrs S being asked to provide it now. But, whilst I can appreciate their perspective on this matter, businesses are required to take a risk-based approach to money laundering and have suitable systems and processes in place. The regulations aren't prescriptive and so it's up to a business to put in place the appropriate measures. So, it would be up to eBay to decide the circumstances in which it may deem it necessary to require documentation to verify a customer's identity.

In eBay's Payment Terms of Use, Section 4. Seller Onboarding it states: *"In order to use our services, you must register and accept these Payments Terms of Use"*. This section goes on to explain that customers must:

"Provide us with all information which we may require for purposes that include: verifying your identity, complying with applicable laws and regulations such as anti-money laundering and sanctions screening obligations, allowing us to manage settlements of your transaction proceeds, and assessing fraud and risk. If you are an individual, this information may include, without limitation, your full name, address, phone number, date of birth, taxpayer identification number, bank account information, and a form of government-issued identification (e.g., a copy of your identity card or driver's license)."

Also, in eBay's Payment Terms of Use Section 7. Using Managed Payments, 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..."

Mrs S signed up to these terms when she agreed to use eBay to sell her goods. So, I'm satisfied they can be applied to her account.

It's not the role of the Financial Ombudsman Service to ask a business to change its procedures or processes. This is the job of regulator – in this case, the FCA. However, it is our role to examine and decide whether a business has been fair and reasonable when applying those procedures or processes.

Mr and Mrs S have said that eBay should've given her notice before allowing her to sell an item that she would need to provide ID documentation. But the terms explain that eBay may do this and as I've mentioned above, eBay can decide at what point it wants to ask for these requirements, and I haven't seen anything to suggest that in doing so once Mrs S had money paid into her account, it has acted unfairly.

I understand the main concern Mr and Mrs S have is regarding the security of Mrs S's ID being stored in eBay's system. But, as eBay Commerce UK Ltd is a regulated financial business in the UK, the FCA will require it to have the necessary systems, controls and security measures in place to protect its customer personal data. Although of course, I recognise that even the best systems and security measures are never 100% foolproof. But overall, the information it has asked for i.e. photo ID, is fairly typical information that payment service providers in the UK may ask their customers to provide, to help them verify their customer's identity. So I don't find the request to be particularly unusual. And in this case, I can't see that Mr and Mrs S have said that Mrs S doesn't have these types of ID. Instead, it seems to be the case that Mrs S is simply unwilling to provide a copy of the requested ID. So in the circumstances, I can't say that eBay's request to provide the photo ID was being unfair or unreasonable.

So in summary, I'm satisfied that eBay can ask Mrs S to provide ID to verify her account and it didn't need to give her notice in doing so. The requirement is clearly in the terms of the account Mrs S signed up to. And I've seen nothing to convince me that the requirement or process it's followed has been applied unfairly.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 4 April 2025.

Thomas White
Ombudsman