

The complaint

Miss J has complained that eBay Commerce UK Ltd (“eBay”) restricted her account after it’d said that it wouldn’t.

What happened

On 20 June 2023, Miss J updated her first name to a shortened version, and changed her mobile phone number (the latter to avoid couriers calling her) on her eBay account. This resulted in restrictions being applied to her account.

Following this, a message appeared on Miss J’s account saying that she had to verify her identity, due to the change in name recorded on her account.

Miss J contacted eBay and was told that if she changed her name back to her full name that would resolve matters. But unfortunately, the restriction remained in place.

To remove the restriction Miss J needed to provide documentation to verify her identity. Miss J attempted to verify her identity with a freedom pass but this was not accepted by eBay. Miss J went on to purchase a passport, and once she submitted a copy of that to eBay in September 2023, and then added a linked bank account, the restrictions were lifted by 19 September 2023.

Unhappy with how matters were handled, Miss J asked the Financial Ombudsman Service to look into her complaint.

In responding to the complaint eBay explained to Miss J in an email dated 19 September 2023 that as eBay processes payments, it is necessary that the name on the account must match any identity verification documents provided. eBay explained that if Miss J changed her name back to the shortened version again, its system would again ask that Miss J provide identity documentation to verify the stated name was correct.

eBay reviewed Miss J’s account and confirmed that the restriction had been put in place as Miss J had not, until September 2023, verified her identity. eBay said that the information Miss J had been given to verify her identity was correct and apologised if Miss J had issues when attempting to email eBay. eBay concluded by saying that although Miss J wanted compensation, it was unable to do so as it needed to verify her identity.

One of our investigators assessed the complaint and he did not uphold the complaint. He concluded that it was not unreasonable for eBay to have asked for further documentation to verify Miss J’s identity after she had changed the name recorded on her account.

Unhappy with the investigator’s assessment, Miss J asked for the matter to be reviewed by an ombudsman.

I issued a provisional decision on 4 October 2024, explaining why I was minded to uphold the complaint. I've 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 reviewed everything, I’m currently minded to reach a different outcome to the one reached by the investigator. I will explain why.

Firstly, I note that Miss J says that the suspension of her account come about because of issues she had with eBay’s delivery service. Miss J says that incorrect details kept being prepopulated in return labels, which prompted her to change the details eBay had recorded for her. Miss J says that this is evidence of eBay failing to make reasonable adjustments.

As the investigator explained, this service is only able to consider the actions of eBay Commerce UK Ltd. This service is not however able to consider the actions of eBay in relation to Miss J’s use of her marketplace account. I appreciate that for Miss J, she may view the two as the same thing.

But it is important that this service only deals with complaints that fall within our jurisdiction. Therefore, whilst I’m sorry to hear that Miss J had problems with her marketplace account, the listing of products and the returns label system, this is not something that this service is able to consider or address.

Turning now to the issue that this service can address, I understand that Miss J updated her name in her eBay account to a shortened version of her full name. This led to eBay’s system identifying that there had been a change in name on Miss J’s account. This in turn resulted in Miss J needing to re-verify her identity with eBay, before it would allow managed payments, or payouts, to Miss J’s account to continue.

I note that Miss J says that she’d already verified her identity previously, so says eBay is at fault for asking her to do this again. But I don’t think it is unreasonable for eBay’s system to have asked her to do this again, given that she changed the name registered on her account on 20 June 2023.

I appreciate that Miss J can’t see what the issue is, as she only changed her name to a shortened version of her full name. But that is still nonetheless a change in the name that eBay had recorded for her. Following the introduction of eBay directly processing payments for its customers, there became an added importance for eBay to ensure that the stated name on an account matches any identification documents submitted.

So, whilst I recognise that Miss J feels very strongly that eBay are in the wrong because its systems asked her to verify her identity again, I don’t think it is. However, whilst I think it was fair for eBay to place the restriction on the account in the first place, given that its systems had detected a change in name, I don’t think that eBay dealt with matters fairly after that point.

I say this because, after the restriction had been placed on Miss J’s account, I understand that she reached out to eBay and was assured via webchat that if she changed the registered first name back to what it had been before i.e. her full first name, that would remove the restriction. In the circumstances, this seems a sensible way for Miss J to have resolved matters quickly and with minimal effort for both her

and eBay. However, despite Miss J changing the name registered on her account back to her full name, the restriction remained in place.

Having considered everything, I do understand why eBay's systems had initially triggered a request for document to verify Miss J's identity. And as I said above, I can't say that was unfair or unreasonable. But at the same time, I think that eBay could've removed this requirement once Miss J had changed her name back to what it had been recorded as before. I say this given that eBay had already verified Miss J's identity prior to 2023 under her full name, whereby a copy of her passport was provided.

In my view, I think it would've been fair for the restriction that was applied to Miss J's account to have been removed once Miss J had changed her name back to what it had been - which I understand she did on or around 22 June 2023.

Had eBay done that, then I think the impact of this matter would've been greatly reduced on Miss J. I note that she says she relies on eBay for her income, and so, it is clear that she was greatly distressed by not having access to her account.

However, when considering the impact this specific issue had on Miss J, I note that another warning was appearing on Miss J's account due to there not being a linked bank account. I note that this formed part of a previous complaint. So, even if the restrictions relating to the identity verification had been removed sooner, I can't rule out the possibility that Miss J may've still had difficulties accessing money on her eBay account for some of the time, due to the issues she had regarding the linked bank account.

So when weighing everything up, I currently think that eBay should pay Miss J £200 for the distress and inconvenience that she experienced in trying to resolve the identity verification restriction issue, even though she'd changed her name back to what it had been, and eBay had proof of identity for this longer name.

In reaching this amount, I am mindful that Miss J exchanged emails with eBay over a number of weeks and did try to resolve matters by providing a copy of her Freedom Pass and also a copy of her recently expired Passport. I can see that the matter caused a great deal of frustration for Miss J. Especially as, in a webchat with a member of eBay staff on 22 June 2023, Miss J was 'guaranteed' that the account will not be restricted and that Miss J didn't need to provide anything else, as she had submitted a copy of her passport and the banner would be removed from the account once verification was complete. So, in the circumstances I can see why the matter was frustrating for Miss J.

Finally, I note that to resolve matters, Miss J ended up paying to renew her passport. However, a passport is a useful document to have, and one that she may potentially use in the future for other instances where she may need to verify her identity. So I don't think it's appropriate to say that eBay should reimburse her for the cost of that as well."

After I issued my provisional decision, Miss J didn't respond. But eBay did. In summary, eBay said that it was willing to pay the redress to Miss J because it'd given her wrong information. But it said that its systems are designed so that it can't manually override a KYC restriction using expired ID, regardless of the situation.

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.

Given that Miss J didn't respond and eBay agreed to pay Miss J the £200 compensation that I'd set out in the provisional decision, then I see no reason to change the outcome on the complaint.

I note that eBay said that its systems are set in a way that a KYC check that is prompted by a change in name can't be manually overridden using old ID. However, in this case I note that the consumer only changed her name to a shortened version of her full name, then changed it back to what it had been a short while later, when she realised it'd be an issue. So I think that eBay could've been more flexible in such circumstances. But even if it was the case that its systems are designed in a way that meant its staff were physically unable to remove the KYC restriction from Miss J's account until she provided further valid ID, taking everything into account, I still think that £200 is fair compensation for Miss J for the impact this matter had on her.

Putting things right

To put things right, I require eBay to pay Miss J £200 for the distress and inconvenience caused by this matter.

My final decision

Because of the reasons outlined above and in my provisional decision, I uphold this complaint and require eBay Commerce UK Limited to do what I have set out above 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 Miss J to accept or reject my decision before 21 November 2024.

Thomas White
Ombudsman