

The complaint

Ms W complains that eBay Commerce UK Ltd isn't returning money it's holding to her.

Ms W is represented in bringing this complaint, but for ease of reading I'll refer to all submissions as being made by her directly.

For clarity, any reference to eBay Commerce below refers to the firm that is authorised by the Financial Conduct Authority to carry on certain activities and which we can consider certain complaints against. Any reference to eBay marketplace refers to the online auction and marketplace site which is not a regulated financial firm.

What happened

Ms W opened an account with eBay marketplace and on the same day listed and sold an item for a large amount of money. The circumstances of the sale meant that eBay Commerce placed a suspension on the payment while it looked into it further, which meant that Ms W couldn't access the money. eBay Commerce then asked Ms W for some further information, which she provided – but it continued to suspend the account because of what it viewed as the risks involved. eBay Commerce said that it would continue to suspend the payment for 180 days in line with its terms.

Ms W complained to eBay Commerce about this but it maintained its position and said that it had acted correctly. Ms W was unhappy about this and brought her complaint to our service where one of our investigators looked into it. They said that the transaction in question here wasn't in the spirit of buying and selling items on the marketplace and so it was understandable for eBay Commerce to withhold funds until they are satisfied to release them. Our investigator said this was in line with the terms Ms W agreed to when signing up to use eBay Commerce's services.

Ms W disagreed – questioning why eBay Commerce let the transaction go through if it violated its terms. She was unhappy that eBay Commerce had applied fees to the transaction and held onto the funds.

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 here, I think it's fair that eBay Commerce has taken the actions it has in relation to Ms W's account and the money held in it. The listing placed on eBay marketplace for the goods sold was false and Ms W has now explained to eBay Commerce and this service why that is.

When eBay Commerce was made aware that Ms W registered an account on eBay marketplace and on the same day sold a single item for a large amount of money, it decided to review the circumstances of the transaction before releasing the money to her. That's in line with eBay Commerce's terms, which say that it may place holds on funds for a number

of different reasons. In the circumstances here, I'm satisfied eBay Commerce was entitled to place a hold on these funds, given that the listing behind the 'sale' was false.

eBay Commerce asked Ms W for some extra information about this but after it received it, decided to continue to restrict her access to the funds here. Again, that's in line with the relevant terms here which explain the circumstances in which eBay Commerce may take this action. Having considered the circumstances, I'm satisfied that it took that action fairly.

So I think eBay Commerce was entitled to take the actions it did in suspending access to Ms W's account. I also think that it took them fairly in the circumstances. The original transaction looked unusual and when eBay Commerce received the further information from Ms W about it, I think it made a reasonable decision to continue to hold onto the funds.

These funds remain on hold in line with eBay Commerce's policy in such circumstances to hold funds for up to 180 days. While I realise that's a long time for Ms W – I think eBay is entitled to not release the funds until then given the circumstances here.

Ms W has questioned why the transaction was allowed to go through if it violated the relevant terms. But at the point it started dealing with the payment, eBay Commerce would have treated this as a request to use its services. It was only when it began to process the payment that it had concerns that it felt warranted further investigation. I think that's fair.

Ms W is also unhappy that eBay Commerce has applied fees to this transaction when it was treated as 'cancelled'. eBay Commerce has explained that the fees it charged are calculated and applied at the point of sale. While there was no 'sale' as such here, I still think eBay Commerce was entitled to deduct fees in line with its terms. I say this because, in using eBay Commerce's services, she agreed to its terms of use – which include the applicable fees. So I don't think eBay Commerce's position in respect of the fees is unfair.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 17 January 2025.

James Staples
Ombudsman