

## **The complaint**

F, a limited company, complains eBay Commerce UK Ltd (Commerce) placed a hold on its payouts until orders had been delivered. F is represented by its director, Mr B.

## **What happened**

F has traded on the marketplace for a number of years. In October 2024 Commerce placed a hold on payouts to F until it received confirmation of delivery of the items it had sold.

Mr B says he didn't receive any notification of the hold and didn't know why Commerce had applied the holds. F complained to Commerce, and it responded to say it had investigated F's complaint and said it had given the right information, so it closed the complaint.

Mr B brought F's complaint to this service, and an investigator looked into things. The investigator didn't think F's complaint should be upheld.

The investigator accepted F hadn't been messaged about the holds, but F was alerted to the hold on a payment screen when a buyer purchased an item. The investigator thought this amounted to notification.

And the investigator said Commerce had good reason to apply the holds, it based its decision on information about F. The investigator said Commerce would review the holds over time but didn't think Commerce needed to do more to resolve things.

Mr B disagreed and the assessment was one sided, biased and unfair.

And Mr B felt he still hadn't been given the reasons behind the hold so F couldn't do anything to change the way it traded to avoid the holds. Mr B also explained he'd had to put personal money into F to lessen the effect on cashflow the holds had caused.

The investigator then sent Mr B all the risk information Commerce had about F, and said, based on this risk information, Commerce had acted fairly.

Mr B still disagreed and said he believed Commerce's decision to apply holds to F's payouts was because he'd told Commerce about a serious illness he'd previously had.

Mr B asked for an ombudsman to decide things.

## **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.

Mr B has raised some issues only relating to the marketplace, or relating more widely around

Commerce's practices and how these might impact other consumers.

But I have to decide F's individual complaint, so I can't comment on other consumers.

And my decision will focus on what I believe is the crux of F's complaint, Commerce applied holds to its payouts.

When Mr B agreed to let Commerce handle payments from the marketplace to F's bank account, he agreed a set of terms.

In these terms, it says Commerce can apply payment holds, under section 7, Holds, it says:

*We reserve the right to manage the risks associated with providing you the Payment Services, by placing restrictions on your access to your funds when deemed necessary, as described in further detail below.*

*You agree that we may place holds on your funds or instruct a payment service provider to hold your funds, prior to disbursement(.....) We will notify you through the eBay Message Center and/or by email and, depending on the reason, may request additional information from you to help resolve the issue(.....)*

*A hold may be placed if we have reason to believe there is an increased risk associated with the provision of our Payment Services*

Commerce has said F wasn't notified of the hold, but it says in the terms Commerce will notify F. I can see F was told about the hold after a payment was received from a buyer.

I don't think this message is the same as a notification, but I have to consider what effect this had on F. Commerce is entitled to apply a hold, it's in its terms, and I don't think the lack of notification renders the hold unenforceable.

And I don't think F could do anything different to avoid the hold, it had listed items for sale and people were purchasing these items and paying for them. To avoid the hold, F would need to remove any items from sale and sell them elsewhere.

I don't think the lack of notification had a material impact on F.

Commerce says it applied the holds to F's payouts following a review. Commerce has provided this service with the exact reasons why it considered F posed an increased risk, and these reasons have been shared with Mr B.

I think Commerce has clearly laid out its concerns, and these concerns seem valid. Commerce has used mostly publicly available data, from Companies House, to base its decision on, and, in the circumstances, I think the decision is fair.

I think, in line with its terms, Commerce identified an increased risk in the provision of its payment services in relation to F. And having done this, Commerce decided to hold payouts until it knew items had been delivered.

I think this is a protective measure for both F and Commerce. If, for whatever reason, items weren't delivered then buyers might be able to claim a refund. And if a refund is agreed, Commerce would look to debit F's account.

If there was insufficient money in F's account, either marketplace or bank account, then this could leave F in a difficult position.

By holding payments, until it knows a refund can't be made, I think Commerce is taking steps to protect F. Commerce has said money will be available to F the day after confirmation of receipt of the buyer's item.

F then knows it's money it can use with much less risk of a refund. In the circumstances, I think applying a hold is a fair thing for Commerce to do.

Mr B's said he thinks Commerce based its hold decision on a previous, serious medical issue Mr B had. I'm glad to see it seems this matter's passed, and Mr B's recovered, but I don't think Commerce made its decision based on Mr B's medical history.

Commerce has said it wants to make clear it would never base a decision to apply a hold on a consumer's medical history, and I think this is right. Specifically for F, I think Commerce has laid out, in depth, its reasons for the hold.

Mr B feels Commerce may have discriminated against him, based on his medical history. I can understand Mr B concerns, and the seriousness of them, but having looked at all the evidence I don't think Commerce has done so.

Instead, I think Commerce made its decision to place holds on payouts solely on the risk it associated with F. I hope it helps reassure Mr B that someone impartial and independent has looked into their concerns about any discrimination.

I think Commerce made a fair decision, based on F's risk, to place holds on payouts. Whilst I can imagine this would have had a serious effect on F's cashflow, this effect flows from a fair and reasonable decision by Commerce.

In the specific circumstances of F's complaint, I can't hold Commerce responsible for the effect on F's trading or cashflow as I think it reasonably and fairly applied holds. And because of this, I don't think Commerce needs to do more to resolve F's complaint.

### **My final decision**

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

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

Chris Russ  
**Ombudsman**