

The complaint

Mr W complains eBay Commerce UK Ltd (Commerce) won't release money to him.

What happened

Mr W had been using the marketplace to sell items for some time. In January 2022 Commerce took over managing payments for Mr W, moving money from the marketplace to his bank account.

In March 2022 Commerce told Mr W his payouts were on hold until he sent in some identification. Mr W had just under £150 in his marketplace balance.

It seems Mr W didn't send Commerce any identification, but instead asked for Commerce to release the money. When Commerce wouldn't release any money, Mr W complained.

Commerce responded to say it had closed the complaint but hoped Mr W was satisfied with the response. Mr W wasn't satisfied, so he brought his complaint to this service.

An investigator looked into things but didn't think Mr W's complaint should be upheld. The investigator said Commerce's terms allowed it to ask for identification, and this was in line with UK law, rules and specific regulation, like money laundering.

The investigator said Commerce had offered its help if Mr W was struggling to upload identification, or didn't have what Commerce needed, but Commerce hadn't done anything wrong in stopping Mr W's payouts until he'd been identified.

Mr W disagreed with this outcome, and said it was unfair Commerce had changed its terms between him receiving the money in his marketplace balance, and then trying to withdraw it. Mr W wants Commerce to pay out in line with the old agreement.

Mr W also said he hadn't signed anything, couldn't really remember signing up but even if he had it was a simple tick box or similar and he hadn't read the terms he was signing up to.

Mr W said the money belonged to him and not Commerce, and he wouldn't be sending in any identification. Mr W also said he was unable to sell on the marketplace.

Mr W 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.

I don't think there's much doubt Mr W signed up to Commerce's terms. From 2020 to 2022

Commerce took over as the only way to move money from the marketplace to someone's bank account.

If Mr W continued to use marketplace after January 2022, I'm satisfied he agreed to the terms of Commerce. I can see Mr W had some insertion and final value fees during March 2022, so I think Mr W continued to use marketplace.

Because of this I think it's reasonable for Commerce to enforce its terms.

I don't think it's relevant the terms were changed after Mr W sold an item but before he paid this money out. I think Mr W agreed to Commerce's terms, and whenever this was, I think the terms apply – regardless of whether previous terms were in place before.

Commerce's terms don't cover the listing or selling of items on marketplace, mainly it's the moving of money from marketplace to a bank account. Mr W's asked for this movement of money after the change in terms. I don't think it matters when the money was received.

Mr W says even if he did agree to the change in terms, and use of Commerce, he didn't read the terms before agreeing. I don't think this means Commerce can't fairly rely on its terms.

If Mr W either chose not to read the terms, or just clicked he'd read them when he hadn't, it would be unfair for me to say Mr W and Commerce aren't bound by those terms. If Mr W agreed to the terms, and I think he did, it's fair for him to be bound to them.

And because I think it's fair Mr W is bound by Commerce's terms, I don't think Commerce needs to allow Mr W to fall back onto a previous set of terms and payout his money.

Mr W's said he can't sell on the marketplace either. This would be a decision for the marketplace to make, not Commerce. But if Mr W could sell on the marketplace, the only way to then payout the money is by using Commerce.

If Mr W wants to continue selling on marketplace, and getting money from those sales, I think he needs to complete Commerce's reasonable request for identification.

Section 7, Holds, of Commerce's terms, which I think Mr W is bound by, say:

You agree that we may place holds on your funds or instruct a payment service provider to hold your funds, prior to disbursement.(.....)we apply holds under the following conditions. 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

I think Commerce has applied its terms fairly, it says it can hold Mr W's money if it can't verify his identity. Commerce has asked Mr W for copies of his identification, but he doesn't appear to have sent this in, I think Commerce can fairly apply a hold.

Mr W says the money in his marketplace balance is his, it isn't Commerce's, and I agree. But I think there's a simple solution to Mr W getting his money paid out, and this is by providing Commerce with the identification it's asked for.

Commerce has an obligation to ensure it knows who is using its managed payments, and an obligation to ensure it's paying money out to the right person, the person entitled to it.

I don't think Commerce is asking for onerous information here, it would like Mr W to send it some proof of person, like a passport or driving licence, and proof of address, like a bill or statement. I don't think Commerce is asking for too much.

But it's Mr W's choice if he sends it in or not. But, if Mr W chooses not to send in any identification, I think it's fair for Commerce to continue to hold the money and not pay it out.

Commerce has said it can help Mr W upload the documents and help with questions in case Mr W doesn't have some of the identification Commerce wants. This seems a fair thing for Commerce to do.

But, if Mr W wants Commerce to payout the money it holds, and for marketplace to consider letting him continue to sell, I think Mr W needs to send Commerce proof of his identity.

I can't bind Mr W to do this, but I can think about whether Commerce has treated Mr W fairly and reasonably. And, having done this, I think Commerce has treated Mr W fairly, so I won't be asking it to pay out the money to Mr W unless and until he identifies himself.

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 Mr W to accept or reject my decision before 10 April 2025.

Chris Russ
Ombudsman