

## **The complaint**

Miss C complains eBay Commerce UK Ltd (Commerce) refunded the buyer of an item she sold and Miss C's been left with no goods and no money.

## **What happened**

Miss C sold an item on eBay marketplace (marketplace), and the buyer opened an eBay money back guarantee (eMBG) claim. Miss C was told she had a strong case to not have to refund the buyer, but marketplace then found in the buyer's favour.

This meant Miss C's marketplace balance was debited to refund the buyer, and Miss C didn't receive back the item she sold. Miss C was left without the money and the item she sold.

Miss C was told she could appeal the decision but couldn't do this online. Miss C was then told she wasn't able to appeal.

Unhappy with the poor and misleading advice Miss C had been given, she complained to Commerce. Commerce responded to say the eMBG decision wouldn't be reversed. It said when a buyer opens an eMBG claim the seller must organise the return of the item.

Miss C brought her complaint to this service. An investigator looked into things but didn't think Miss C's complaint should be upheld.

The investigator said eBay was split into two entities, Commerce which is regulated, and marketplace which isn't. The investigator thought the only thing Commerce had done was place a hold on Miss C's money, in line with its terms.

The investigator thought the other things Miss C was complaining about, the outcome of the eMBG claim and the refund, were things marketplace had done. And since marketplace isn't regulated, the investigator couldn't look at the claim and refund.

Miss C disagreed and said the central issue was Commerce telling her she had a right to appeal and then she was denied this right.

Miss C said money was held by Commerce and then debited from her marketplace balance via Commerce's payment infrastructure. Miss C said Commerce actioned the payment from her balance, leading to her loss, so this service can investigate things.

Miss C 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.

The investigator who assessed Miss C's complaint was right to say eBay is divided up into

two entities, one regulated, Commerce, and one unregulated, marketplace.

I can only decide a complaint against Commerce, I can't decide whether marketplace has made any mistakes or make marketplace compensate Miss C or take any other action to resolve things for Miss C.

I'm satisfied an eMBG claim is a marketplace function, the scheme isn't run by Commerce, and I'm satisfied marketplace is making the decision on whether the buyer or the seller wins the claim.

I don't think it was Commerce deciding the buyer of Miss C's item could both keep it and get a refund, I think marketplace made this decision.

I'm also satisfied it was marketplace giving Miss C advice on the eMBG claim. I accept what Miss C has said about the poor and misleading advice she was given, but I don't think it was Commerce giving her this advice.

And I don't think it was Commerce telling Miss C she had a right to appeal the claim, then saying she didn't.

This means I don't think Miss C's central issue, the lack of an appeal process, is something I can hold Commerce responsible for.

Commerce's main function is to make payments from the marketplace balance to bank accounts, although there are several other things it does as outlined in its terms and conditions, including applying holds to payments.

When an item's sold on marketplace the money goes into a marketplace balance. This balance isn't a bank account or electronic money, the balance isn't regulated.

Miss C had money in her marketplace balance, and this was used to refund the buyer.

I don't think the payment marketplace made, from Miss C marketplace balance and back to the buyer, was made or facilitated by Commerce.

I think the only times Commerce is involved in a marketplace payment is either paying money out to the seller's bank account or debiting a seller because the marketplace balance has gone into a negative balance.

Neither of these things happened in Miss C's specific circumstances.

Commerce applied a hold, stopping Miss C moving money from her marketplace balance to her bank account. Commerce's terms allow it to do this, and Commerce has said it did this because there was an active eMBG claim.

This seems reasonable, there was a chance Miss C's marketplace balance might have money taken to pay back the buyer. If Commerce allowed Miss C to move the money, it would likely then need to debit her bank account later to recover any refund.

In the circumstances, I think Commerce acted fairly in applying a hold.

I agree Miss C has had a loss here, she sold an item, sent it to the buyer, had the money taken back and has ended up with no item and no money.

But, like the investigator, I don't think it's anything Commerce did or didn't do that's led to the

loss Miss C had.

Because of this, I can't ask Commerce to compensate Miss C for her losses.

**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 Miss C to accept or reject my decision before 14 April 2026.

Chris Russ  
**Ombudsman**