

## The complaint

Mr W has complained that he was charged a subscription for an eBay shop package, even though he was unable to make use of it because eBay Commerce UK Ltd (“eBay”) had placed a restriction on his account.

## What happened

Mr W had a personal eBay Marketplace account. Due to the amount that Mr W was selling through his account, eBay contacted him and said that he would need to convert his account to a business account. Although such an account is free, eBay Marketplace offer additional ‘eBay Shop’ services that include additional business services and are paid for via a monthly subscription. Mr W agreed to add the ‘Anchor’ Shop package to his eBay business account.

Around this time, Mr W was asked by eBay to provide government issued photo ID. I understand that Mr W’s passport had expired, so he replied submitting a copy of a UK Photo ID card. After sending this a number of times to eBay, and it being rejected, Mr W says that eBay eventually confirmed that a UK Photo ID card was not actually an accepted form of photo ID and that he would need to provide a copy of either a driving licence or a passport. Because eBay had still not received a copy of his photo ID, this resulted in a restriction being placed on Mr W’s eBay payment account.

As his UK Photo ID card was not accepted by eBay, Mr W applied to renew his passport, but due to strike action at the UK Passport office, it took longer than expected for Mr W to receive a new passport. Once Mr W received his new passport, he then sent on a copy to eBay on 4 May 2023 and the restriction placed on his payment account was shortly removed and he was able to use his account again.

Unhappy with this, Mr W contacted this service for a review of his complaint. After we informed eBay about Mr W’s complaint, it said it had not done anything wrong and had followed its ID verification processes correctly.

Following this, our investigators assessed the complaint and they ultimately didn’t uphold the complaint.

Mr W didn’t agree with the investigator’s conclusions, so the matter was referred for an ombudsman’s decision.

I then issued a provisional decision on 14 February 2025, explaining why I was minded to partly uphold the complaint. I have 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 uphold this complaint in part. I will explain why.*

*Firstly, before I get into the merits of this complaint, I would like to make it clear that it has been difficult to establish what exactly happened and when in this complaint. Mr W has given a number of explanations about what happened, but unfortunately didn't provide the dates for when each of the events or interactions with eBay occurred - that is until he responded to the investigator's most recent assessment.*

*Furthermore, eBay has provided conflicting information. For example, more recently eBay says that Mr W had applied for the eBay shop account on 30 April 2023, whereas in an earlier email to this service, eBay said that it'd charged Mr W for the eBay shop account from 4 April 2023 – which would suggest he'd applied for it before 30 April 2023. Also, eBay says that a restriction was only placed on Mr W's account from 25 April 2023. Whereas Mr W has sent us copies of emails he'd received from eBay from 29 March 2023 and throughout April 2023 which suggest that restrictions were already on his account before 25 April 2023. For example, in the email dated 29 March 2023, it says:*

*“You need to update some details on your account...*

*You won't be able to receive payouts or be able to use some eBay services until you verify your account information...*

*Please make sure you update your account info by 25 Apr. 2023 to release your held payments and avoid further restrictions..."*

*So the above would suggest that restrictions were applied to the account prior to 25 April 2023, and then presumably further restrictions were then applied on 25 April 2023. Although to complicate matters further, Mr W said that other restrictions had been applied and then removed as he needed to change his eBay account from a personal account to a business account. So again, it's not clear if the above restrictions relate to him needing to change the type of account held or for him needing to provide photo ID.*

*Nevertheless, I say the above to point out that it has been very difficult to say with any certainty in deciding this case what actually happened and when. But having said that, the two main issues that are clear is that Mr W is unhappy that he paid for a business shop subscription, but was then unable to use it as there was a restriction on his account. And secondly, that he tried to comply with eBay's request to provide ID, but after a number of attempts to do so, discovered that the ID he'd been sending to eBay was not actually one it could've accepted. Mr W therefore had little choice but to renew his passport, albeit with very unfortunate timing (given the strike action at the passport office at the time), and then provided that to eBay.*

*eBay shop subscription*

*From reading through Mr W's responses to this complaint, it's clear that the main issue Mr W is unhappy about is that he paid the subscription of the eBay 'Anchor' shop, but was then unable to make use of it because his account was restricted.*

*However, as has been explained by the investigator, this is not something this service is able to look at. The reason for this is because, although Mr W may deem eBay to be one company, it is actually made up of more than one company. This is an important distinction to make for the purposes of this complaint and what our service can consider.*

*eBay Commerce UK Ltd is a business regulated by the Financial Conduct Authority. This in turn means this service is able to consider complaints about eBay Commerce and the regulated activities it carries out. However, eBay Marketplace is not regulated by the Financial Conduct Authority – which means this service can't consider the actions of eBay Marketplace. Whilst I wouldn't expect Mr W to have been aware of this distinction, it nevertheless exists, and it does mean that this service is limited in terms of what complaints it can consider when it comes to eBay.*

*Turning now to the matter at hand, eBay Commerce is responsible for administering Mr W's payment account. But eBay Marketplace is responsible for administering the buying and selling side of things i.e. listings, removal of listings and also the 'Anchor' shop subscription service that Mr W signed up for.*

*Because of this, it is unfortunately the case for Mr W that I can't consider the aspect of his complaint concerning the Anchor shop subscription he paid to eBay Marketplace. This means I can't consider whether it was fair that he was charged for that service, even when restrictions were in place on his account. I appreciate that this will come as a great disappointment to Mr W as I can see he is greatly frustrated about that issue. And I can see that he has, on multiple occasions, insisted that this service should be able to consider that aspect of his complaint. But it is the case that there are limitations to what this service can consider, and we can't address that part of his complaint.*

*Photo ID restriction*

*Turning now to the issues that we can consider, I understand that a restriction was placed on his payment account as eBay needed to verify his identity by asking for a copy of photo ID.*

*In terms of eBay's request for government issued photo ID, I don't think asking for such information is either unreasonable, nor is it unusual. Indeed, since eBay started to handle its payments in house i.e. through eBay Commerce, it has been obliged to verify the identity of payment account holders so that it can comply with the 'Know Your Customer' requirements. This is something that all financial businesses that process payments are obliged to adhere to.*

*In this case, as eBay had been unable to verify Mr W's identity, this resulted in eBay placing a full restriction on Mr W's account on 25 April 2023 (although it seems that some restrictions had been applied prior to then as well). This restriction wasn't removed until 4 May 2023 – when Mr W was able to provide a copy of his new passport.*

*Mr W has explained that he was unable to provide the requested information when it was initially requested. This was because his existing passport had expired and, due to strike action at the UK Passport office, he'd have difficulties applying to renew his passport. I'm sorry to hear about this. I appreciate that the unfortunate timing of the strike action would've been deeply frustrating for Mr W. But, at the same time, I can't reasonably hold eBay Commerce responsible for the delay in Mr W receiving his new passport, caused by the strike action.*

*Mr W has said that eBay should've lifted the restriction on his account whilst it was waiting for him to provide ID. I can understand why he has said that, especially as it meant that he was limited in what he could do with his account in that time. But I can't say that eBay acted unfairly or unreasonably in keeping the restriction on his account until he was able to verify his identity. Indeed, when a KYC restriction has been placed on a payment account, it is standard industry practice for that restriction to remain in place until the necessary documentation has been provided by the account holder. If restrictions are removed whilst the financial business waits for the account holder to provide the ID, this would then remove the incentive for the account holder to comply with the request. And it could result in a situation where ID is requested, a restriction is applied, it is then removed whilst the account holder is 'obtaining' their ID and then if they don't provide it, the process starts all over again.*

*However, having said the above, I think that eBay could've provided better support for Mr W when he explained that he had neither a driving licence nor a current passport. eBay should've explored what alternative types of ID could be accepted for the above purposes, in the absence of him having either a driving licence or a passport.*

*In this case, I understand that Mr W tried to submit copies of UK Photo ID a number of times. But, although Mr W was led to believe it wasn't being accepted due to the quality of the copy, it was eventually established that it was being rejected as it was not an accepted form of ID.*

*From what I understand about how events played out, it seems that eBay firstly added to the delay and frustration in resolving matters by allowing Mr W to keep submitting the same ID even when it wasn't going to be accepted. Secondly, I think that eBay failed to provide Mr W with a reasonable level of support by explaining what alternative forms of ID he could provide so as to resolve the KYC check. For example, I understand that eBay has, at times, accepted a combination of different documents when the consumer in question didn't have the standard forms of ID being requested. It's clear that eBay's inflexibility caused a great deal of frustration to Mr W, which resulted in him spending a large amount of time contacting eBay to try and resolve matters. And I think that eBay's handling of matters did add an unnecessary amount of delay in Mr W being able to get the restriction lifted from his payment account.*

### **Putting Matters right**

*As such, based on everything I have seen, I currently think that eBay should pay Mr W £200 for the distress and inconvenience caused to him by this matter.*

*I recognise that Mr W may be unhappy with the above amount – especially given the amounts he was charged for the eBay shop subscription, and the issues he faced with his eBay Marketplace account. But as outlined by the investigator and above, I can't consider those matters within this complaint."*

After I issued my provisional decision, both Mr W responded and provided further comments.

In eBay's response, although it didn't comment on the proposed redress, it said that it notifies its sellers if there is outstanding verification on their account. eBay said it gives sellers advance notice that if they don't provide the required documents by a certain date, that they may face restrictions. And eBay said that the emails that I had referred to (that'd been sent to Mr W in late March and through April 2023) were those advance warnings.

Mr W also responded and didn't agree with my provisional decision. Mr W raised a number of points, but in summary, Mr W said that eBay's agents had repeatedly told him to resubmit his UK photo ID card, even though it was not an accepted form of ID. Mr W said that had eBay made it clearer sooner that it required a valid passport, he could've applied for one sooner than he did. Mr W said that had that happened, he could've avoided many listed items for sale being deleted from his marketplace account.

### **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 reconsidered everything, I still remain of the view that the complaint should be upheld in part and that eBay should pay Mr W £200 for the distress and inconvenience caused by the matters that this service is able to consider.

In its response to my provisional decision, eBay says that the emails it sent Mr W in late March 2023 and April 2023, were advanced warnings, that if he didn't provide the necessary ID, restrictions would be placed on his account. However, the contents of the emails make it clear that restrictions *had already been placed* on Mr W's account before 25 April 2023. The email also says that Mr W needs to update his account information to avoid "further restrictions" on Mr W's account.

So, I don't think it can be said that the emails were only advanced warnings of possible restrictions - given that restrictions had already been placed on the account by that point. From what I understand of the process, eBay had already placed some restrictions on Mr W's account from late March 2023 i.e. he was unable to receive payouts. And then, from 25 April 2023, further restrictions were then placed on Mr W's account. Nevertheless, I don't think this point changes my view on the main aspect of this complaint – that Mr W should've been better supported when eBay asked him to provide photo ID and that it seems it'd given Mr W wrong information about what types of ID would be acceptable for its purposes.

Having considered what Mr W has said, I do have a great deal of sympathy for the very difficult situation he found himself in. But as mentioned before (both by me and the investigator), I can't consider whether eBay dealt with his marketplace account fairly or reasonably. So, I can't address (or award redress for) his point that he felt it was unfair that eBay continued to charge him for his eBay shop subscription, even when the photo ID restrictions were in place. Nor can I address his point that he felt it was unfair that eBay

chose to remove his listings for many products from his eBay marketplace account during that time.

But, as outlined in my provisional decision, I do think that eBay should've provided better support to Mr W in terms of explaining what he could provide so as to meet its ID requirements. And I do agree that eBay's staff inviting Mr W to keep resubmitting his UK Photo ID, even though it was not an accepted form of ID, did delay matters and did result in Mr W contacting eBay a number of times unnecessarily in trying to get matters resolved.

### **Putting things right**

Having considered everything that has been provided, to put matters right, eBay Commerce UK Ltd should pay Mr W £200 for the distress and inconvenience caused to him by the aspects of his complaint that this service is able to consider.

### **My final decision**

Because of the reasons given above and in my provisional decision, I uphold this complaint in part and require eBay Commerce UK Ltd 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 Mr W to accept or reject my decision before 24 March 2025.

Thomas White  
**Ombudsman**