



Mr. Didier Reynders
Commissioner for Justice
European Commission
Rue de la Loi 200
1049 Brussels

Brussels, 26 March 2020

Re: eBay / COVID-19 / Measures protecting consumers online

Dear Commissioner,

On behalf of Scott Schenkel, thank you for your letter inquiring about eBay's measures to protect consumers in the face of COVID19-related fraudulent and misleading practices online. These practices are not acceptable, especially at this critical and unprecedented time. eBay is taking a series of actions to protect consumers.

Please find below a detailed description of our response.

Adapting policies / Maintaining legitimate trade in essential products

eBay prohibits price gouging of COVID-19-related items under its <u>Disaster and Tragedy Policy</u>, which disallows the sale of items that attempt to profit from human tragedy or suffering. eBay has also introduced a new <u>Price Gouging Policy</u> to address the COVID-19 situation. The ability for customers to report price gouging has been improved with a dedicated page for price gouging and a separate 'price gouging' option in the "report this item" tool.

We have introduced a global policy allowing only a small number of white-listed sellers to offer masks and hand sanitizers. Global restrictions have also been put in place on the sale of baby formula and milk, toilet paper, tampons, baby wipes and nappies with only business sellers allowed to sell such products. In addition, we prohibit the use of the auction format for these categories (only fixed price allowed).

If any of the approved sellers are found breaching our policies, including the Price Gouging Policy, the listings will be removed and action will be taken against the seller's account, ranging from temporary to permanent account suspension. We are reminding sellers of their obligations via e-mails.



We are posting the following information on the site on the page dedicated to our business sellers:

- Health claims and misuse of keywords: titles and item descriptions containing health claims and misusing terms such as "Coronavirus", "Covid-19", 'Virus", "epidemic" are prohibited.
- **Prices inflated over prevailing market value:** listings that attempt to profit from tragedies and disasters (such as the Coronavirus outbreak) are prohibited.
- Laws and Regulations: as this is a fast changing situation, we advise sellers to always check local laws, regulations and guidelines when listing. We will continue to monitor the situation globally and provide further updates as necessary.

In addition, we have implemented measures to educate all users, buyers and sellers, about Covid-19. Users searching for certain coronavirus-related terms on our site are now shown informational banners with links to relevant government websites.

Enforcement of our policies / Adapting our tools to ever-changing trends

The actions of some unscrupulous sellers to capitalise on the COVID-19 crisis are entirely unacceptable. As of today, we have removed almost 500,000 listings and suspended hundreds of sellers. Sweeps across the sites are being run 24/7 to this end.

eBay uses a rules-based filtering system with algorithms that identify and block prohibited items in parallel with around-the-clock manual reviews of listings by our customer service agents. They remove all listings for certain masks and sanitizers (except for those offered by whitelisted sellers), listings for test kits, listings for other products with inflated prices, listings for products making false health claims or listings, particularly from consumer sellers, that are offering products containing paracetamol.

Since the end of February, eBay has deployed numerous additional block filter algorithms that are dedicated to coronavirus-related items only. Given the fast moving situation, these filters are constantly being reviewed and updated as needed to take into account users attempting to circumvent them.

Our security team is also constantly reviewing listings that have not been automatically blocked by our filters to have them promptly removed. This allows us to identify new trends and use those findings to make appropriate updates to the filters. We also receive reports from a variety of sources, including government agencies, media outlets and eBay users through the report item link available on each listing. With the Coronavirus crisis situation, we have strengthened our monitoring and enforcement team and more than doubled its size.

The Covid-19 situation remains fast moving and the unique nature of the eBay marketplace with its combination of private and business sellers creates ongoing compliance challenges, as supply and demand for products continually shifts. As the situation continues to evolve almost daily, our policies are also under constant review and we are doing what we can to ensure that eBay remains a fair and trusted place to buy and sell goods.



Thoughts on Addressing the Situation Going Forward

As we see happening at national level, the EU Institutions might consider setting up or facilitating a public-private sector task force to address this challenge. It would be particularly helpful if we could exchange intelligence about trends. It would be useful having a shared understanding from the consumer protection authorities, consumer organisations, and other players, such as the retail sector, regarding what items or categories of goods are likely to be subject to demand next, so that eBay and other online platforms can prepare appropriately.

We share your concerns about protecting consumers from price gouging and other forms of COVID-19 related fraud and hope the information provided above demonstrates our strong commitment to preventing such activity on eBay.

We will be delighted to work with your services to address any additional concerns as this unfortunate situation continues to evolve.

Yours sincerely,

Stefan Krawczyk

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- Vice President Věra Jourová

- Commissioner Thierry Breton

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