

Buying and Selling on eBay

Expert knowledge means success

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Note: This publication has not been updated since it was last published. Some of the hyperlinks may have changed and may need updating. In addition, some of the information in this publication may be out of date.

Introduction

eBay, the worldwide auction internet site has grown at a phenomenal rate over the past few years. In particular, the number of eBay users has doubled in less than a year.

In the third quarter of 2008 there were an estimated 370 million users worldwide who use the site to buy and sell things as diverse as cars, jewellery, and celebrity clothes. In addition, there were 85.7 million active users and 700 million listings.

Launched in October 1999, eBay UK is second in size only to its American parent and is the UK's largest online marketplace. It hit the 15 million customers milestone in May 2006. In February 2008, eBay UK's unique audience reached 13.2 million. It has also achieved the 10 million live listings landmark meaning there are more than 10 million items for sale on the site at any one time. It achieved its first ever \$100 million revenue quarter in the second quarter of 2005.

In 2005, Doug McCallum, the managing director of eBay UK, said there were "enormous opportunities" for growth. The "gigantic" second-hand markets for cars and for business, office and industrial equipment are worth "trillions". When McCallum joined eBay UK in December 2001, the company had less than 1 million users. Since then eBay has made it easier for businesses to use its site by supporting conventional banking arrangements and providing dedicated customer support. Its acceptance by businesses as a means of offloading stock or supplementing sales has resulted in its current success. Computer industry giants IBM and Sun Microsystems have used eBay to offload equipment they receive back from their customers. Vodafone has also used the site to sell mobile phones. McCallum is keen to encourage independent car dealers to sell their stock on eBay and is reported as saying "The area in which we have the greatest traction is cars, motorbikes and automotive parts. Our growth is extraordinary, but still we have only a tiny penetration of the second-hand vehicle market".

Despite its "sanction" by large public companies, the lifeblood of eBay UK remains the home and small business sellers. Its popularity has provided entrepreneurs with an obvious business opportunity to reach millions of potential customers.

Setting up an eBay store is a cheap, fast, secure and easy way to do business online. However, as with starting up any business, there are legal and accounting procedures to follow, and these must not be overlooked when using an auction medium. As with any business there is no guarantee of success: it requires competitively priced products which are in-demand, and commitment!

In August 2005, The Centre for Economics and Business Research reported that over 50,000 Britons are earning income from online auctions. By January 2008 this figure had reached 178,000.

Buying on eBay UK

eBay have five steps that should be followed to buy an item as follows:

- registration;
- searching/browsing;
- reviewing the item/seller;
- placing a bid/buying; and
- paying.

Registration

To bid or buy on eBay, you will need to register which is both free and straightforward. You will be asked to provide a valid e-mail address and a credit or debit card for verification purposes only. You will also need to choose a name which will be used for your identity on eBay, and a password.

Once you've completed the form you will receive a confirmation e-mail with instructions on how to complete your registration. You will need to agree to eBay's User Agreement and Privacy Policy.

Searching/Browsing

There are two ways to find what you're looking for on eBay:

- Searching for an item by typing keywords into the search box that describe what you are looking for or by selecting the search link on the navigation bar for more advanced search options;

10 tips for eBay success

- Research your market, determine the competition, and the profit margins available to you through eBay.
- Present your listings clearly and professionally.
- Include keywords that are likely to be searched on, and a pertinent title to attract buyers at the search stage.
- Be responsive: always answer your buyers' questions in a timely and professional manner.
- Accept different payment options. PayPal, the eBay payment service is the most common method of payment on eBay and is instant and secure. However, you need to cater for those who do not have a PayPal account if you want to reach as wide a market as possible.
- **Don't neglect the packaging:** customers will expect a securely wrapped item. For higher value items, consider using recorded or registered post.
- Recognise the importance of feedback: request feedback from purchasers to improve your feedback rating. Buyers are more likely to buy if your feedback rating is high, and a minimum rating is required for the "Buy It Now" option.
- Build your eBay business gradually by analysing which items are the most popular and make the most profit and then focusing your efforts on those products.
- Recognise that your eBay business is no different to any other small business and will require commitment and effort to be successful.
- Keep proper accounting records as you would for any business. HMRC will require you to declare your profits (less costs) on your tax return each year.

- Browsing through the categories listed on the homepage or selecting the Browse button on the navigation bar to display the full category list.

Reviewing the item and the seller

Once you find an item that you wish to purchase, read the item's full description including information about accepted payment methods, postage costs and any returns policy.

Check the seller's reputation by clicking on the Feedback rating next to the seller's User ID. Read what other buyers have said about the seller's reliability, product quality and level of service.

Placing a Bid/Buying

Once you've found the item you want to buy, decide the maximum you're willing to pay and if there are selling options, how you'd like to buy it. There are two ways to win or purchase an item depending on how it is offered:

- If an item is offered for auction, enter the highest price you are prepared to pay for the item and eBay's proxy bidding system will bid on your behalf, only as much as is needed for you to stay the highest bidder;
- If an item is offered as a Buy It Now: you can buy the item instantly at the price stated by the seller.

When you place an auction bid, eBay accepts and displays just the next increment over the previous bidders maximum. It is therefore safe for you to put in the absolute maximum you're willing to bid, as this will not be revealed to other bidders and will only be bid on your behalf if the bidding reaches that increment. This also means that you cannot see other bidder's maximum bids.

Watch out for Multiple Item Auctions: you must specify the number of items you're interested in and the price you're willing to pay. All winning bidders will pay the same price: the lowest successful bid.

Paying

After you have won or purchased the item use one of the seller's preferred payment methods. If you have any payment queries contact the seller by e-mail. If you are paying by PayPal then simply click on the Pay Now button and complete eBay's Checkout process. PayPal is free for buyers, your card details are never shared with the seller and it allows you to send payment immediately. If

you need to send payment by cheque, use the address on the invoice. The seller will only send the item to you once they have received payment, so ensure that you pay quickly.

Once the item arrives, check it thoroughly to ensure it is complete, matches the description and has arrived in good condition. If you are pleased with your purchase, leave the Seller Feedback and encourage them to do the same for you.

For more information on buying, visit:
<http://pages.ebay.co.uk/help/ebayexplained/buying/index.html>

Sniping

Sniping refers to the practice of automatic bidding in the closing moments of an auction, when there is insufficient time for a bid to be countered. There are various third party services that for a minimal fee will place bids on your behalf in the last seconds of an auction so you're more likely to win the item for a lower price.

They cite the benefits of using a sniping service as:

- control – you set your bid and forget it, with the assurance that the sniper service is managing the closing moments of the bid;
- privacy – your bid remains totally private until the end;
- safety – the sniper service identifies problem sellers;
- convenience – you can place your bid at a time to suit you and forget about monitoring;
- flexibility - you can revise or delete your bid without going through an eBay bid retraction; and
- winning – your bid is entered via a high speed link in the closing seconds, giving you a better chance of winning. The end price is often lower as you don't participate in driving up prices.

Auction Sniper is one of these services. They provide some useful tips on winning auctions on their site www.auctionsniper.com.

Ezsniper offers the first three auction snipes free and can be found at: www.ezsniper.com.

Justsnipe offers a free online sniper at www.JustSnipe.com.

eBay Deal Finder

eBay Deal Finder was launched in November 2006 and is an easy to use new way to search the eBay marketplace and find items that are within the total price range that you specify (including shipping) and:

- are ending soon (in less than 4 hours);
- have yet to receive a bid;
- do not have a Reserve price;
- have a flat shipping rate (including free shipping).

For more information, visit:

<http://dealfinder.ebay.com>.

Selling on eBay UK

eBay have five steps that must be followed to sell an item as follows:

- setting up a seller's account;
- preparing your item for sale;
- listing your item;
- pricing, payment and postage; and
- monitoring and completing the sale.

Setting up a sellers account

To begin selling on eBay, you will need to register and then create a seller's account. (If you require a business seller's account, see the later section entitled "Creating a business account on eBay"). You will be required to provide credit card and bank account details for verification purposes – a measure intended to ensure the safety of eBay as an online trading facility.

You will be charged a small fee to sell your items on eBay comprising a basic listing fee depending on the item category for the insertion and the value of your item (or reserve price), and a "final value" fee which depends on the final selling price of the item and the listing format. This is a percentage of the final bid but is only payable if the item sells. As an example, books, CDs and DVDs have an insertion fee of 5 pence but a Final value Fee of 9%. There are also optional charges to enhance your listings to make them more attractive to buyers. You will also need to decide how you pay your seller fees: via PayPal, Credit Card on File or Direct Debit.

Preparing your item for sale

Use eBay's Completed Items search to research similar items to your own to find out how they have been sold and at what final price. Determine the demand for your item and set the price accordingly.

There are a number of items that are prohibited from sale on eBay; these include obvious items such as offensive material, drugs and stolen items, but also include less obvious items such as football tickets, satellite decoders and travel vouchers. If in doubt check the current lists of "Prohibited, Questionable and Potentially Infringing items" at:

<http://pages.ebay.co.uk/help/sell/questions/prohibited-items.html>

Listing your item

eBay provides an easy to follow Sell Your Item Form that guides you through the steps to a successful item listing. There are two selling formats: auction-style and fixed price with Buy It Now, the latter being available only to sellers with a feedback of at least 10. You will need to supply a descriptive title using all the relevant keywords that a buyer may use to search on. Your description needs to provide buyers with all the information they need, relevant to the item for sale. This may include information such as brand, age, condition etc. Always include a picture where possible as buyers like to see what they're buying. eBay's Gallery feature allows you to add a picture next to your listing in search results for a nominal fee of 15p. Items can be listed for 1, 3, 5, 7 or 10 days. Many sellers list items for 7 days and include a weekend to capture weekend shoppers.

Sellers can now use Skype in item listings. Using the Sell Your Item process, sellers can opt-in to add either a Chat  or Voice  button (or both) to their listings. The buttons give sellers the chance to answer questions quickly and build trust with buyers.

Sellers, use this free service to:

- Choose to add either voice and chat (or both) to listings;
- Build trust with buyers when selling complex or high priced items;
- Answer questions quickly;
- Connect easily with buyers and turn them into repeat customers.

Note: You will need to download and install the Skype application to use this service.

Pricing, payment and postage

If you are selling by auction rather than “Buy It Now” consider starting your item at a low price and without a reserve. If buyers believe they could be in for a bargain, it will encourage them to start bidding on your item and could lead to higher final sale price.

Choose how you would like to accept payment e.g. cheque, credit card, money order. Buyers want a safe and easy way to pay so consider accepting an online payment system such as eBay’s PayPal. It’s free for buyers and speeds up the payment for sellers. Many buyers will only purchase items if you have the PayPal option enabled.

All postage and packaging costs should be included in the listing as buyers will regard this as part of their total cost. If you are willing to ship internationally, make sure you include all of the relevant international postage costs. Higher value products are best sent via recorded/registered post.

Monitoring and completing the sale

Use My eBay to track all your activity, particularly if you have more than one item for sale or if you are both selling and bidding on several items.

Once the listing ends, contact the buyer to arrange payment and delivery details. Only post the item once you have received payment. In the case of a personal cheque, wait until the cheque has cleared. Unsold items can be relisted free of charge. Once the sale is complete, leave feedback for your buyer and encourage them to do the same for you.

For more information on selling, visit:
<http://pages.ebay.co.uk/help/ebayexplained/selling/index.html>

eBay Motors

eBay Motors is a specialist shopping site selling used cars, motorbikes and other vehicles. The process for buying or selling a motor vehicle is similar to the buying and selling process on the main website. Car data check, insurance and delivery services are also available.

For more information on buying or selling a motor vehicle on eBay Motors, visit:
<http://motors.ebay.co.uk>

Creating a Business Account on eBay

eBay provides both private and business accounts. When you use eBay for business purposes you should register as a business account or change your private account to a business account.

Consider registering for a business account if you:

- sell items that you have bought specifically for resale;
- sell items that you have produced yourself for sale;
- sell a large quantity of goods on a regular basis;
- you often sell new things that you have not acquired for your personal use;
- are a trading assistant; or
- purchase items for your business.

If you are a company, you can register your company name which will be displayed in invoices and all other communications with the buyer. If you are registered for VAT, you can provide eBay with your VAT registration number and receive net invoices on your eBay fees. You can also provide the VAT percentage in the Sell Your Item flow.

As a business seller you can display contact details, return policies and terms and conditions in your listings. Your listings will display "Business Seller" in the Seller Information Box.

To start trading under your business name, you'll need to provide the following details:

- UK address to receive a confirmation letter via the post;
- Bank account details (to set up a Direct Debit).

Registering for a business account on eBay does not officially declare your business or your VAT registration status. These need to be declared to HMRC in the normal way.

eBay’s business centre will show you how to:

- Register to start trading under your business name;
- Set up an eBay Shop;
- Learn about global trading (export sales);
- Understand the obligations of business sellers on eBay;
- Learn about the selling software eBay

offers;

- Give and take advice from other business sellers on eBay;
- Learn about secure payment methods.

For more information visit

<http://pages.eBay.co.uk/businesscentre/explained/1.html>

eBay also provides guidelines on business trading on its site that inform sellers of legal obligations, including:

- Sale of Goods Act – goods sold on eBay must be in accordance with the description you have given in the item listing; of satisfactory quality; and fit for their purpose;
- Trade descriptions and fair trading laws – it is an offence to apply a false description to any items; or supply or offer to supply any items to which a false description is applied;
- Distance Selling Regulations – eBay business sellers need to provide clear information about themselves and their items; and provide consumers with a period of seven working days in which the consumer can cancel the contract (often referred to as the "cooling off" period);
- E-Commerce Regulations – sellers must provide the name, geographic address and e-mail address of their business; details of any relevant trade organisations to which the seller belongs; details of any authorisation scheme relevant to the seller's online business; and the seller's VAT number, if the online activities are subject to VAT;
- Tax – eBay provides a general Tax Policy and a VAT overview.

For more information visit: <http://pages.ebay.co.uk/help/policies/business.html>

eBay Trading Assistants

If you don't have the time or interest to manage your e-Bay sales, you can use the services of a Trading Assistant who will do it for you. Trading Assistants are experienced eBay sellers who will list your item, monitor its sale and ship it to the buyer for a fee.

Trading Assistants are not employees or independent contractors of eBay and are not endorsed or approved by eBay. They do however all have experience selling on eBay and must be in good standing in the eBay community, i.e. they must have a feedback

score of at least 50, and at least 97% positive feedback.

Many Trading Assistants specialise in certain categories and know how to sell those items for maximum value. A Trading Assistant is most likely to accept your item for sale if:

- Your item has a good chance of selling, i.e. it is in good or excellent condition or is in high demand;
- Your item has a value of (and is likely to sell for) at least £50;
- You have multiple items.

If you're not sure about your item's value or chances of being sold, most Trading Assistants will be happy to assess your item for you.

You can search eBay's Trading Assistants Directory for a suitable located assistant and check their profile to determine the categories of items they sell, their fees, requirements, and other terms (such as drop-off schedule). Always check a Trading Assistant's record of feedback from people who have traded with them in the past. You can also check their currently listed items and look at the items they've sold in the past. This will give you an idea of their approach to selling and indicate whether they have experience selling your type of item. When you have selected a possible Trading Assistant contact them using the information provided in their Trading Assistant profile. Discuss any fees and terms in detail and ask for references if required.

Once you drop off the item (or have it picked up), the Trading Assistant will list the item for sale on eBay, answer questions from buyers, collect payment, and ship or deliver the item to the buyer if it sells. After fees are deducted, the payment will be made to you as previously agreed. If the item does not sell, the item will either be returned to you, or if previously arranged donated to charity.

For more information visit

<http://pages.ebay.co.uk/tradingassistants/hi-re-trading-assistant.html>

10 tips for starting up an eBay business

- Within three months of starting your business contact HMRC and tell them you have started a business and the type of business entity.
- If you expect your annual revenue to exceed the VAT registration limit, £61,000 in 2006, register for VAT and apply that VAT for any sales within the European Union.
- Check whether you need an export permit and register with HMRC for international trading.
- Don't misrepresent what you are selling. Ensure you adhere to the Sales of Goods Act and other legal trading obligations or you could be liable for a whole range of penalties.
- Make sure you have all the licenses and permits required for the products you are planning to sell.
- Set up 30 day credit accounts at wholesalers to allow you to delay payment for items until after you have sold them on eBay and collected payment.
- Open an eBay business account and keep it separate from your personal account.
- Register for a PayPal account and another online banking account so you can take worldwide payments via credit card.
- Keep complete records of all purchases, orders and sales.
- Keep timely accurate accrual based accounts, ideally with an accounting software package that will manage your accounts and payroll.

eBay Shops

Business sellers can apply to open an eBay Shop with their own website address (e.g. <http://stores.ebay.co.uk/your shop name>). The shop can be customised with your company logo and colours and eBay provides advice and assistance in promoting the shop externally. Within your shop your other items can be cross-promoted, which means that when a buyer bids on or buys an item, a relating item from your inventory is displayed to the buyer.

Sellers need to meet the following criteria before they can open a shop:

- Basic Shop:
 - You must have a minimum feedback score of 10, or
 - You must be PayPal Verified
- Featured Shop:
 - You must be a registered business seller on eBay
 - You must be PayPal Verified
 - Maintain a 12-month average Detailed Seller Ratings score of 4.4 or above in each of the four areas
- Anchor Shop :
 - You must be a registered business seller on eBay
 - You must be PayPal Verified
 - Maintain a 12-month average Detailed Seller Ratings score of 4.6 or above in each of the four areas

You can choose to set up and receive reports that analyse your sales and can help you to tailor your business activities in line with customer demand and preferences.

A red door icon  next to your seller's user id indicates that you have an eBay shop.

For more information visit:
<http://stores.ebay.co.uk>

PowerSellers

PowerSellers are described by eBay as "committed to upholding and embracing the core community values that are the very foundation of eBay. They are exemplary members who are held to the highest standards of professionalism, having achieved and maintained a 98% positive feedback rating and an excellent sales performance record".

PowerSellers are identified by a PowerSeller

icon  next to the member's user ID.

The programme for UK PowerSellers Members has five tiers - Bronze, Silver, Gold, Platinum and Titanium based on their gross monthly sales. Some benefits and services vary with each tier and may include fast track customer service, exclusive PowerSeller Programmes and 'best practice' discussion boards.

eBay automatically calculates eligibility each month and notifies qualified sellers who if they wish to join must:

- Uphold the eBay community values, including honesty, timeliness and mutual respect;
- Average a minimum of £750 in sales per month, for three consecutive months;
- Achieve an overall feedback rating of 100, of which 98% or more is positive;
- Have been an active member for 90 days;
- Have an account in good financial standing;
- Not violate any severe policies in a 60-day period;
- Not violate three or more of any eBay policies in a 60-day period;
- Maintain a minimum of 4 average monthly listings for the past 3 months.

PowerSeller programme eligibility is reviewed every month.

eBay and HMRC

HM Revenue and Customs (HMRC) is cracking down on traders who sell goods online but fail to pay tax on their earnings. Figures from The Centre for Economics and Business Research released in 2005 showed that over 50,000 Britons are earning income from online auctions. By January 2008 that figure had reached 178,000. It is therefore no surprise that HMRC has decided to turn its attention to eBay and other online auction sites. HMRC is expected to target traders with large amounts of 'feedback', as this can indicate a high activity of trading that often represents the seller's primary source of income.

eBay was identified as a particular target as it was encouraging sellers to stock up on top-selling items, prior to Christmas 2005 so that they could make a substantial profit over the Christmas selling period, when stocks of popular items ran low in the shops.

Some traders may be innocent individuals who do not realise that what they thought was a hobby is actually deemed to be a trade, and that potentially there will be tax, interest and penalties to pay. This is particularly true for those eBay sellers who begin by selling odds and ends and slowly build up a business. Other people that sell online regularly to subsidise their income may need to include the income on their tax return.

eBay traders who are unregistered with the UK tax authorities, and who have not declared their eBay income, or are in any doubt about whether they should have paid tax in the past should take professional advice immediately, particularly as voluntary disclosure may help to reduce any penalties imposed by HMRC.

VAT

If you are unsure of your VAT responsibilities, you should contact HMRC, and particularly if you expect your total trading income from all sources to exceed the VAT registration threshold. eBay requires the seller to adhere to all applicable VAT laws and regulations in listing an item. It does not monitor VAT status and therefore leaves the decision to the seller as to whether and how VAT should be charged on an item.

If VAT is charged, the seller should set out clearly the amount or percentage of VAT that will be charged. If there is no mention of VAT in the item description, the seller should not add VAT to the final item price. In such a case, if VAT is legally due, the seller bears the responsibility of paying that VAT to the appropriate authorities according to any applicable laws and regulations.

eBay Security Measures

eBay have introduced a series of proactive measures to combat internet fraud and poor buyer experiences to meet the growing expectations of their buyers. These include:

- **Safeguarding Member IDs**
In December 2006, eBay changed how bidder information is displayed on auction-style listings to offer more privacy for their members. This is intended to prevent potential fraudsters using bidder information to try to defraud buyers, often with targeted fake Second Chance Offers. Now, on listings where the high bid, Buy It Now or starting price is £100 or higher,

bidder IDs are anonymous to everyone except the seller.

- **Preventing the Trade of Counterfeits**
To counteract the sale of counterfeit products, eBay will require additional seller verification for certain types of items that have been frequently reported as being counterfeit. Such items can no longer be listed on 1 or 3-day auctions, and additional restrictions have been added for people selling these items overseas.
- **Policy Reinforcement**
eBay is taking a stronger stance on reinforcing their listing policies in areas that provide particularly bad buyer experiences, such as when sellers charge excessive postage, and when sellers lie about where they or their items are based.
- **Enhanced Buyer Protection**
eBay has strengthened and simplified their purchase protection programme, so that more of the items bought are covered. PayPal has introduced an improved PayPal Buyer Protection: a programme that covers qualified eBay transactions for non-delivery, and items that are significantly not as described.

A number of seller specific measures have also been introduced as follows:

- **Removal of Pre-approved bidder**
The Pre-Approved Bidder feature will be removed for the vast majority of eBay sellers. Experience has shown that the majority of sellers who use this feature are often less reliable, and it is often used to support off-eBay trade, which is not safe for buyers or sellers. This feature will remain in place only for high-profile charity auctions.
- **Private Feedback**
eBay has removed the ability for sellers to make their feedback private: sellers with poor track records can no longer hide their bad reputations from buyers.
- **International Trade Requirements**
There are new requirements for UK-registered sellers who want to list an item on an eBay site other than the UK or US, and Irish-registered sellers who want to list an item on a site other than eBay. Now, to sell outside these markets, sellers must have a verified PayPal account linked to their eBay account. This should lead to a reduction in the number of suspended sellers and cancelled listings on the site.
- **New Feedback System**
A new feedback system has been designed to identify good sellers and to give buyers the opportunity to really choose between sellers, based on the level of service they provide. Buyers can rate sellers on their services,

Tax guide for e-traders

HM Revenue & Customs have published a tax guide for "e-traders". The guide, "Conditions for e-trader status" clarifies what the HMRC considers "trading activities" which are liable for tax.

According to the guidance trading occurs where:

- you sell goods that you bought for resale
- you make items yourself and sell them, intending to make a profit
- you sell or buy goods for other people and receive money for this (for example on commission), or
- you provide a service and receive payment (in cash or in kind).

More information is available at:
www.hmrc.gov.uk/findout

including item description, communication, delivery time and postage & packaging, as well as providing an overall feedback rating. Additionally, new sellers can't leave negative feedback in response to buyer's feedback.

- Consequences for Seller Non-Performance
The small proportion of sellers who provide the majority of bad buyer experiences will have selling privileges removed.

Auction Fraud

eBay has more than 1,000 people worldwide working in its "trust and safety" department to combat fraud. It admits that 0.01 per cent of the transactions on its site are fraudulent which equates to hundreds of current fraudulent auctions. The auction site will not disclose figures on how often bidders fail to pay for their purchases.

eBay's safety centre provides guidelines on:

- how to buy safely;
- how to sell safely;
- non receipt of an item;
- non payment for an item;
- what to do if you receive a fake e-mail/website link; and
- suspicious account activity.

To view the guidelines and read more safety information visit:

<http://pages.ebay.co.uk/safetycentre/index.html>

Non payment may be due to inexperience as well as fraud: inexperienced buyers may not realise that winning an auction is a legally binding contract or may take part in a number of simultaneous auctions with the result that they win items that they do not want. Unclarified shipping costs can also result in non payment of overseas transactions.

Fraud reporting service

Report Auction Fraud is a service designed to combat the growing problem of online auction fraud. The service reports that "On average some 12.5 million transactions were completed on auction sites worldwide every single day during 2004, of which 250,000 turned out to be fraudulent – with sellers failing to deliver the goods, buyers giving bogus credit card details or people selling stolen or counterfeit goods."

Members of the public and businesses using online auction sites can register with www.reportauctionfraud.com and check out buyers and sellers for just 50p. Details are verified immediately by accessing an up-to-the-minute database established by Early Warning (UK), the organisation that monitors online and credit card fraud. The website can also be used to add information about existing frauds so that others can be warned; the information is then instantly available to the police should they wish to view it.

Phishing

eBay has been a target for phishing gangs who send out e-mails claiming to be from the auction site in an attempt to gain personal details from traders. eBay recommends that users only read and respond to account-related messages that they receive in eBay's My Messages service.

eBay and Skype

On 12 September 2005, eBay agreed to purchase Skype technologies S.A., the fast-growing internet phone company, in a bid to extend the reach of the pioneering internet phone call service to millions more users around the world. At the time, eBay had more than ten million users in Britain and 157 million worldwide. Skype, which reached more than 309 million registered users in early 2008 and which celebrated reaching the 1 billion download mark in September 2008 around the world, since it was founded in 2003, said that the link-up would help to take the internet phone call into the mainstream marketplace in Britain and beyond.

Since the announcement, Skype has been integrated with the eBay service. Sellers can now add Skype call  and chat  buttons to their listing pages so buyers can talk or chat to them for FREE! This is great news for buyers who can get answers to their queries straight away and bid with complete confidence. And it's great for sellers, helping them close the sale faster and reduce returns.

In 2011, eBay sold its Skype interest.

eBay, Yahoo and Google

In May 2006, Internet search engine Yahoo and auctioneer eBay teamed up in an exclusive online alliance that gives Yahoo the rights to be the exclusive provider of branded advertising on eBay's site. In exchange, Yahoo will use eBay's payment system PayPal, to permit its customers to pay for Yahoo services. Together Yahoo and eBay are expected to reach more than 80% of the US internet audience.

Both firms faced stiff competition from rival Google and had been seeking new ways to gain market share. In June 2006, Google launched an online payments system- Google checkout - which aims to compete with eBay. Google plans to enable shoppers to set up a single account with all their credit card and delivery details, allowing online merchants to sell through their Google advertising.

eBay Charity Sale Service

Charity shops have been one of the losers in the phenomenal take off of eBay as people put unwanted items up for sale instead of donating them to charity shops. Marie Curie Cancer Care, which runs 180 shops across the UK, said that eBay had resulted in lower donations.

On 3 October 2005, eBay UK launched a new service that lets sellers donate between 10% and 100% of profits from their sales on the site directly to their nominated charity. Every time an item is listed for charity, the seller gets a fee credit on their basic insertion and final value equal to the percentage they donate. Sellers can also register for these donations to receive a tax break, meaning an additional 28 per cent goes to the charity.

The 'eBay for Charity' service launched in conjunction with the BBC's Children in Need, also give charities an easier system for selling their own goods online without incurring fees. Charities can increase their customer base and maximise their profit potential by reaching the 15 million people in the UK and 370 million worldwide who buy and sell on eBay.

Charities who sell their own items are known as Direct Sellers and need to have an eBay sellers' account, be certified with MissionFish and to have a MissionFish seller's account. Charities can also hold special auctions.

eBay for Charity was developed in consultation with several of the UK's best known charities and has been universally welcomed. Simon Ledsham, retail director of Cancer Research UK, said "it would boost fundraising and help attract new donors". A spokeswoman for Oxfam, a charity that has been using eBay and offline auction houses for years, said *"This makes that process easier, ... It also makes it obvious to people who are buying that they are buying for a charity."*

For more information visit:

<http://pages.ebay.co.uk/ebayforcharity/index.html>

Recommended Reading

Make Money on eBay UK: The inside Guide to Getting Started, Buying and Selling Successfully on eBay.co.uk

by Dan Wilson, published by Nicholas Brealey Publishing, price £9.99 ISBN 1857883527.



Absolute Beginner's Guide to Launching an eBay Business

by Michael Miller, published by Que, price £13.99 ISBN: 0789730588

The eBay Book: Essential tips for buying and selling on eBay.co.uk

by David Belbin, published by Harriman House Publishing, price £9.99. ISBN: 1897597436

eBay: Top 100 Simplified Tips and Tricks by Maran Graphics, published by Hungry Minds Inc, price £13.95. ISBN: 0764555952.

The eBay Business Handbook, 3rd edition: How anyone can build a business and make big money on eBay.co.uk

by Robert Pugh, published by Harriman House Publishing, ISBN-10: 1906659974 ISBN-13: 978-1906659974.

Further Information

This guide is for the general interest of our clients. It is therefore essential to take advice on specific issues. We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible

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