

eBay urged to end 'illegal' sales

By Laura Weir, Drapers Jan 2007

It's a steal: retailers say goods stolen from their supply chains are often sold on eBay

Some of the high street's biggest names are lobbying the government to stop allegedly stolen goods worth millions of pounds being sold on eBay.

Twenty fashion retailers, including Marks & Spencer, Next, River Island and French Connection, are taking the auction website to task in a bid to end the sale of stolen product on the site.

The retailers, which also include Monsoon, H&M, Peacocks, Matalan, Blacks Leisure, Mosaic, TK Maxx, J D Sports, New Look and Mothercare, are all members of retail group The Fashion Forum, which is led by loss prevention company ORIS Group.

Although adamant that they have no objection to auctions of legitimate merchandise on the site, the retailers claim that eBay has become the tool of choice for criminals selling product that is stolen from the supply chain before it reaches stores or is taken from shops. The retailers say many of the eBay sales arise from internal theft, which is costing high street fashion businesses millions of pounds.

River Island head of profit protection Simon Hoyle said: "We do not want to discourage legitimate trading, but we have explained to the Home Office that 25% of River Island auctions on the site are for new product that has a ticket. More than 70% of theft is done internally and the medium of eBay suits the criminals."

The Fashion Forum, which meets quarterly to discuss loss prevention, held talks with the Home Office and the Department of Trade and Industry in December and is calling for a code of practice to be introduced between eBay and high street retailers.

Hoyle added that he also wants better regulation to force the proven identification of sellers when they sign up to the site.

ORIS managing director Laurence King said the situation had reached boiling point. "It is a nightmare. The Home Office is looking into the issue and the DTI wishes to pursue it as well.