

News

# Class Action Claims eBay Price Gouging Consumers Over Coronavirus-Related Products

EBay Inc. joins Amazon.com, Costco and other retailers sued for allegedly price gouging consumers seeking high-demand products during the COVID-19 pandemic.

By **Amanda Bronstad** | May 04, 2020 at 08:58 PM



Headquarters for eBay, located at 2065 Hamilton Ave in San Jose, CA

E-commerce giant eBay Inc. is the latest retailer to face allegations of price gouging high-demand products during the COVID-19 pandemic.

On Monday, a class action alleged that eBay, despite vowing to curb price gouging on its site, continues to encourage the practice by charging a “final value fee” based on the price of the product sold. Jeanette Mercado, a California driver for Lyft and Uber who bought a two-pack of N95 masks on eBay for \$23.98, with the same product selling at other national retailers for no more than \$8.99, filed the suit in federal court in the Northern District of California.

“While eBay publicly states that it is trying to stem the use of eBay’s platform by sellers who have charged, and continue to charge, gouging rates to consumers across the country, eBay’s very business model not only allows but encourages such price gouging, to eBay’s financial benefit,” says the complaint.

Her attorney, Adam Moskowitz, of The Moskowitz Law Firm in Coral Gables, Florida, filed the case along with AK Law in Orange, California; Sonn Law Group in Aventura, Florida; and Bonnett, Fairbourn, Friedman & Balint in Phoenix.

“We know eBay is now trying to catch up and prevent these thousands of daily horrible instances of price gouging, but they set up this pricing structure which encouraging the worst in our society to take advantage of people, so they need to do more or accept the responsibilities and penalties that our laws have established as consequence,” Moskowitz said in an email.

An eBay representative did not respond to a request for comment.

State and federal prosecutors across the country have cracked down on price gougers, including a New York resident last month who was the [first charged by federal prosecutors](#) for violating the Defense Production Act.

The eBay suit cites the California Consumer Legal Remedies Act and California’s Unfair Competition Law, which includes violations of California’s anti-price gouging statute. That statute prohibits raising prices of goods and services more than 10% in the 30 days following a governmental declared emergency.

On Feb. 3, California’s Santa Clara County, where eBay has headquarters in San Jose, California, declared a state of emergency due to COVID-19. California Gov. Gavin Newsom declared a statewide emergency March 4, which he extended to Sept. 4. The suit seeks a nationwide class of consumers who purchased products on eBay at 10% markups since Feb. 4.

On March 5, eBay claimed that it had banned from its site any N95 and other surgical masks, hand sanitizers, disinfecting wipes, toilet paper, baby formula, baby wipes, tampons and diapers, the suit says. But the complaint has recent images from eBay’s website of a pack of three N95 masks for \$585, a lot of five Lysol spray cans for \$227.50 and a 12-mega roll of Cottonelle toilet paper for \$49.90.

“Ebay’s purported crack-down on unlawful sales on its platform is deliberately pretextual, undertaken with ‘a wink and a nod’ to the continued daily sales of tens of thousands essential products at price-gouging prices,” the suit says.



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