

eBay jumps into embedded lending for its UK merchants

Article

eBay is getting into lending with a [new product](#) tailored to 300,000 UK-based small and medium-sized businesses (SMBs) that are sellers on its platform. The product, called Capital for eBay Business Sellers (CEBS), is being offered in partnership with YouLend, an embedded finance platform, and will make loans available in figures from £500 (\$641.18) to £1 million (\$1.3 million). Loan amounts, which will be [calculated](#) through a mix of sales volumes and

operating longevity, will be repaid through percentages of daily sales; the figure will be anywhere from 5% to 20%. The lending application process is marketed as straightforward and speedy for sellers, usually [taking](#) just 5 to 10 minutes.

eBay's program follows recent SMB-focused lending initiatives from other retail platforms.

- Goldman Sachs, through its direct bank Marcus, struck US SMB lending deals last year with two retail giants: [Amazon](#) in June and [Walmart](#) in September. Small business sellers that operate on Amazon's marketplace can receive lines of credit worth up to \$1 million, while the Walmart deal involves lines ranging from \$10,000 to \$75,000.
- Shopify [offers](#) assistance to SMBs through its Shopify Capital unit, which operates in the US, Canada, and the UK. The service is [available](#) to Shopify Payments users and merchants that use third-party payment providers. The company [brought](#) the offering to the UK in March 2020 amid the onset of the pandemic. Shopify Capital includes merchant cash advances, which are available in all three of its markets, and loans that are available in parts of the US.

SMB lending gives eBay—and partnering financial institutions—the opportunity to improve their stickiness with sellers. By conveniently offering loans to its sellers, eBay is giving them a reason to stay loyal to it. Similarly, banking players like Marcus and YouLend that partner with ecommerce platforms get the chance to expand into ready-made customer bases and position themselves for future cross-selling opportunities. Both players also get access to sales data from participants, which gives them flexibility in crafting lending amounts and repayment figures.