

2020

Transparency Report

Etsy

Welcome to Etsy

Etsy is the global marketplace for unique and creative goods. Since 2005, Etsy has provided a platform where sellers and buyers around the globe can connect, all in the spirit of our mission: **Keep Commerce Human.**

80.9M

active buyers

4.1M

active sellers

87M

items for sale

Each year since 2015, we've released our Transparency Report to provide visibility into our content policy enforcement, intellectual property takedowns, order issues and requests for member information or account action. This report, covering January 1–December 31, 2020, highlights a year of exponential growth for the Etsy community, and in turn, our evergreen commitment to maintaining a safe and trusted marketplace. As of December 31, 2020, the Etsy marketplace was made up of 80.9 million active buyers—almost double the amount in December 2019. Our 4.1 million active sellers had approximately 87 million items for sale.

This report reinforces our commitment to being a mindful and transparent organization. All members of our community must follow our policies, which we call [Our House Rules](#). We strive to write our policies as clearly as possible to help members around the world understand their rights and responsibilities when using our marketplace.

2020 was an exceptional year in many ways. In the face of unprecedented circumstances, the Etsy community displayed its resilience, ingenuity and resolve. We saw members across our community come together and open their arms to support each other. We were met with a tremendous growth in numbers of listings and new types of products such as face masks that led us to focus on taking a more active role in enforcing product safety. To this end, this year we are sharing additional details regarding our commitment to these efforts in the section on Product Safety Principles.

Policy Enforcement

As a marketplace where our sellers hold inventory and ship products directly to buyers, we enforce our policies based on reports from our community, third parties, and our internal Trust and Safety systems.

All Etsy sellers commit to following our [Seller Policy](#), which outlines our marketplace criteria and customer service expectations. Our Trust and Safety team is dedicated to educating the Etsy community about our policies, screening potential content violations, and taking enforcement actions against items and member accounts when they violate our policies. Policy violations include infractions such as listing new commercial items in our handmade category, attempting to sell items outlined in our [Prohibited Items Policy](#), or providing a poor customer experience by not shipping orders. Our team employs a combination of automated systems, proactive review by specialists, and flags from members to alert us of potential policy violations. We strive to consistently enforce our policies to hold all members accountable to the same standards, to strengthen trust in our community, and to maintain the integrity of our platform.

Insights from 2020

In 2020, Etsy received close to 4M flags regarding potentially non-compliant listings, a 400% increase in flags from 2019. This increase is in large part due to the exponential growth of the marketplace last year. The vast majority of flags were generated by our internal automated systems and our enforcement scaled with the marketplace. In 2020, the proportion of shop and listings flags from users in comparison with the ones from our tools remained consistent from 2019 (20% against 80%). 82% of our flags were reviewed within two working days.

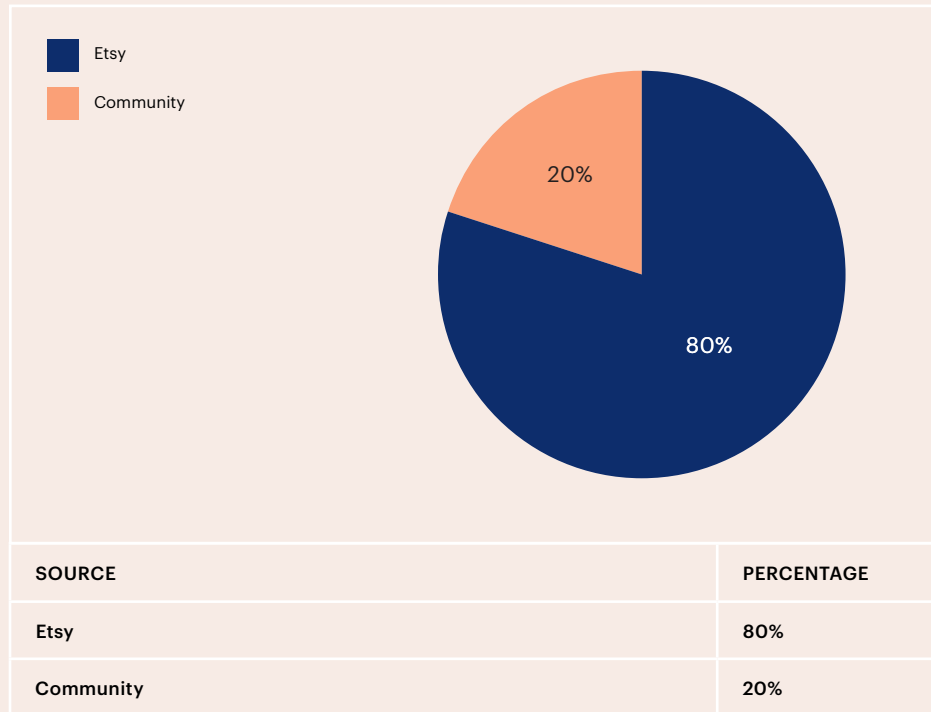
Our team takes a variety of enforcement actions, depending on the nature of the policy violation. We may remove an item from the marketplace, provide a seller with educational content, temporarily suspend an account, or permanently refuse service to a member. Among the most common policy violations were breaches of our [Handmade Policy](#) and our [Intellectual Property Policy](#).

82%

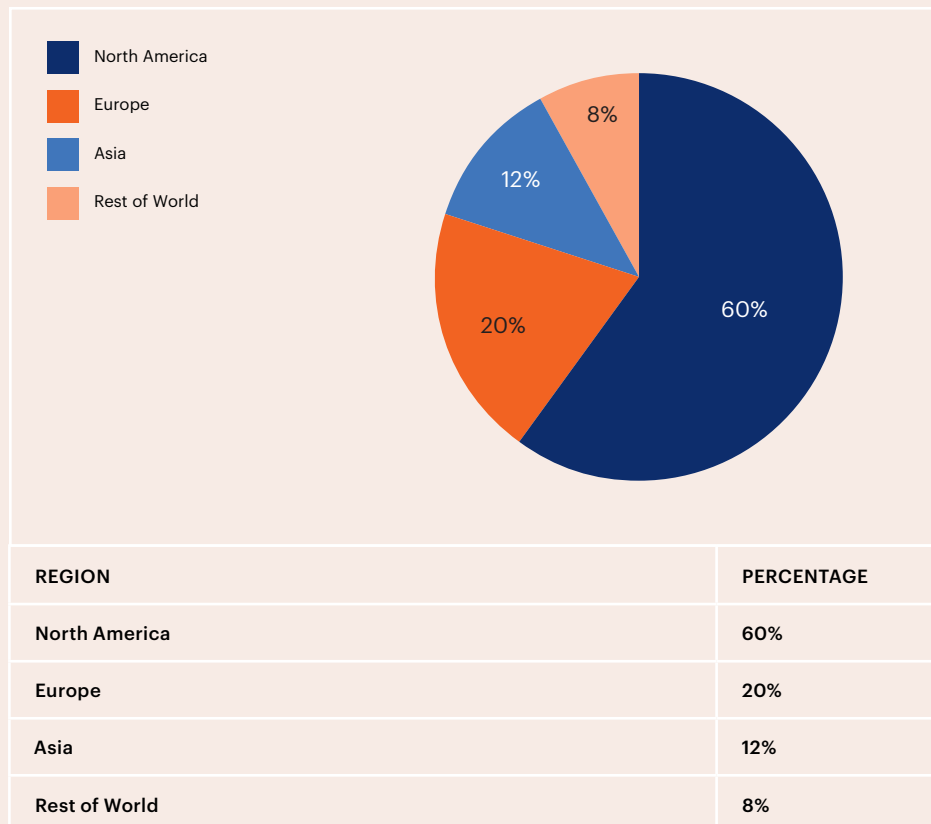
flags reviewed within
two working days

Policy Enforcement

Shop and Listings Flags, by source



Accounts actioned for policy violations, by region



Policy Enforcement

Looking Ahead

Our goal is to remain a trusted brand and a platform where our sellers' creativity and the special items they make continue to shine and are easily discoverable to buyers. That's why our need for sophisticated tools and resources to better protect the integrity of our marketplace only grows as Etsy gets bigger.

In 2021, we are investing at least \$40 million to further expand our Trust & Safety Program in order to:

- Expand the coverage of our content review teams tenfold (10x) by the end of 2021.
- Evolve our policies and continue to target key categories like weapons, hate or violent speech, mature content and luxury counterfeit items.
- Introduce product enhancements, including expanded auto-suppression, image recognition, and the ability to suppress listings geographically based on local requirements.

Intellectual Property Takedowns

Etsy takes Intellectual Property rights seriously, and we require that sellers represent that they have all necessary intellectual property rights for the content they upload to their Etsy shop. Our [Intellectual Property Policy](#) is based on industry best practices, worldwide intellectual property laws and decisions, and region-specific laws such as the Digital Millennium Copyright Act. Under our policies, rights holders can submit IP reports identifying content that they believe infringes their rights. Our policy reflects a commitment to the expeditious removal of allegedly infringing material, if a report is complete and valid, with responsible communication of such to our members and third parties. Our Legal Response and Enforcement team reviews allegations and notices of infringement under our policies.

Insights from 2020

Etsy executed 54,247 properly submitted takedown notices, removing or disabling access to 537,163 listings from 147,963 sellers. We closed 13,446 shops for repeat infringement.

54,247

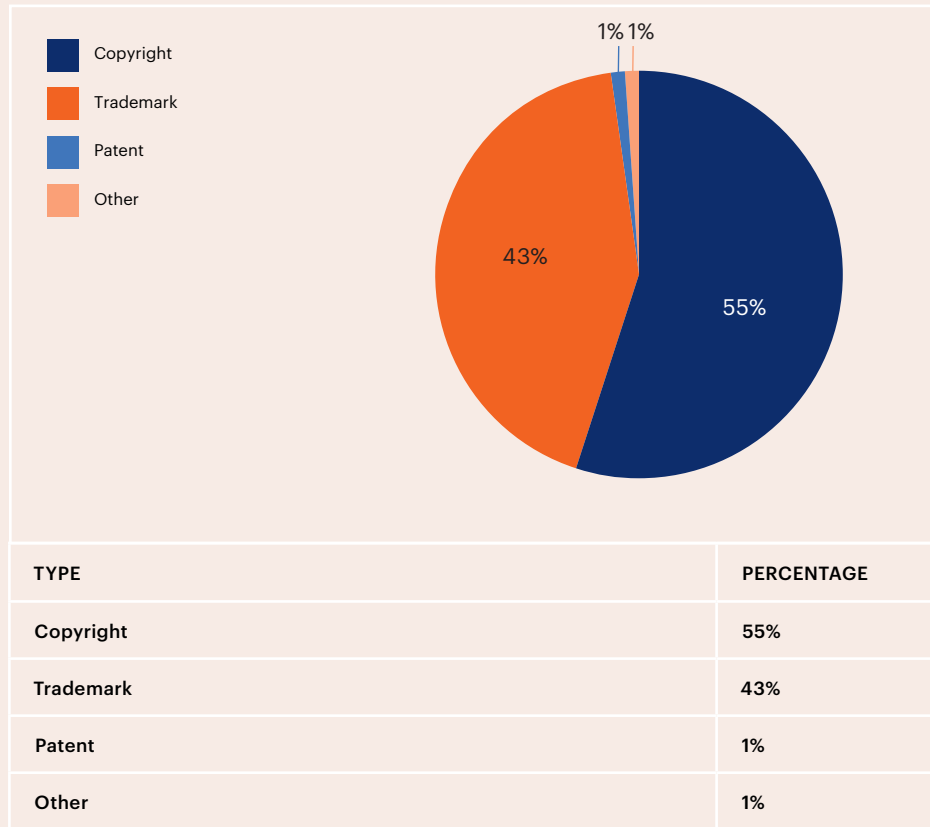
properly submitted
takedown notices

Complaining parties formally [withdrew](#) their notice(s) for 3% of listings with a takedown notice. Overall, we saw a 60% increase in the number of intellectual-property related takedowns compared to 2019, which we attribute for the most part to the exponential growth of the Etsy marketplace last year.

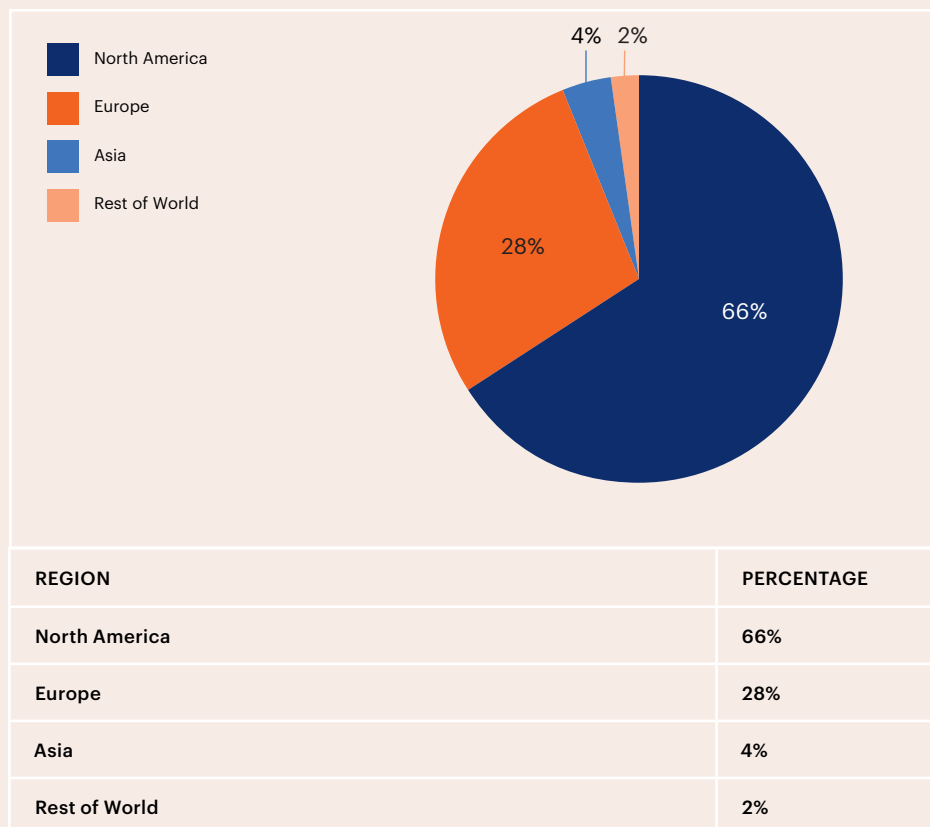
We rejected 15% of notices in 2020, which is roughly consistent with 2019. A notice may be rejected for reasons such as Etsy being unable to verify that the person submitting the notice is authorized to act on behalf of the intellectual property owner, if the description of the intellectual property is insufficient, or if the notice fails to comply with Etsy's policies. Members submitted DMCA [counter notices](#) opposing copyright claims for 3.95% of listings with a takedown notice.

Intellectual Property Takedowns

Intellectual Property Takedowns, by type



Intellectual Property Takedowns, by reporter region



Resolving Order Issues

We expect our sellers to provide great customer service. If an order is not delivered, is not as described in the product listing, or arrives late, damaged / defective, or missing parts, we ask that the seller and buyer work together to reach an amicable resolution. In 2020, we made it easier for buyers to tell sellers when something goes wrong with their order. Buyers can now contact sellers directly from the Help With Order experience on their Purchases and Reviews page by selecting from a dropdown of common order issue types.

In the event that the buyer still needs help, Etsy also provides a [Case System](#) for members to work together to resolve non-delivery, "not as described", and other issues with the assistance of our Case Mediation team. Buyers can also contact Etsy through chat, phone, or email.

Insights from 2020

About 0.44% of orders placed in 2020 resulted in a case, up from 0.37% in 2019. 1.3% of buyers with a purchase in 2020 filed a case, and 13% of sellers who made at least one sale in 2020 received a case. The increase in case rate in 2020 was primarily driven by a higher case rates associated with a surge in mask sales in April, COVID-19 related carrier delays, and enhancements to the Case system that made it easier for buyers to initiate a case with a seller. Additionally, the volume of cases filed increased significantly last year due to marketplace growth.

Case rate may continue to increase in 2021, as we are focused on making it even easier for buyers to report order issues to the seller and to Etsy.

1.3%
of buyers with a
purchase in 2020 filed
a case

Requests for Member Information or Action

Etsy's Privacy Principles

Etsy's Privacy Policy details how we handle member information and reflects our commitment to member privacy and transparency. Beyond these policies, Etsy seeks to adopt and maintain appropriate privacy and data security practices, which are reflected in our Privacy Principles.

- **Ethical Custodians.** We only collect and use data that we reasonably need in order to provide you with our services, for marketing, if legally required, and to provide our community with improved experiences and products.
- **It's Your Data.** We believe you should have control over your data. We provide you with tools to easily access, download, and edit the data we've collected and allow you the choice, subject to applicable rules, to close your account and even delete your data.
- **Choice.** We empower you with the choice to decide how to control your data. You can choose whether or not to participate in personalized advertising with third party partners. You can also choose which, if any, marketing communications to receive.
- **Data Safety & Security.** Etsy takes the safety and security of your data seriously. We use industry standard technologies, such as TLS encryption, and work hard every day to protect your data. We also ask our partners and vendors to use appropriate security controls and privacy practices.
- **Transparency.** We will tell you what data we collect, how we use data, and how we share it (including via cookies or SDKs). We will update our privacy policy from time to time, as we build new products and as privacy laws around the world evolve.
- **A Continuing Commitment.** At Etsy, we understand that privacy is an evolving topic, and we're committed to these principles as we build and grow.

Insights from 2020

Etsy produced records in response to 149 of the 155 legal process requests we received, which may request information relating to one or more members, transactions, listings, and other content on Etsy. We disclosed these legal requests for information to 627 of the affected members. We also handled 52,557 requests from members to permanently close and delete their accounts, a significant increase from 17,668 requests in 2019.

Aside from requests for member information, we also received legal process requests that were administrative. These include requests to freeze or divert funds from a member's payment account to comply with a legal obligation, such as those relating to liens, levies, or garnishments.

Etsy disclosed member account, transaction, or listing information in other limited circumstances as permitted under our Privacy Policy. This allows the release of information when we believe in good faith that disclosure is necessary to comply with the law, prevent imminent physical harm or financial loss, or investigate, prevent, or take action regarding illegal activities, suspected fraud, threats to property, or violations of Etsy's [Terms of Use](#). In particular, we responded to requests from law enforcement about specific transactions and accounts related to potentially fraudulent activity and reported activity related to imminent risk of harm to members or others. Additionally, we cooperated with requests from government agencies.

We did not receive national security letters, Foreign Intelligence Service Act (FISA) orders, or other classified requests for information in 2020.

Etsy's Product Safety Principles

Etsy is committed to maintaining an environment that promotes trust and safety for our vibrant community of buyers and sellers. When sellers open a shop on Etsy, they agree to our [Seller Policy](#), which outlines their rights as well as our expectations. This includes adhering to our [Prohibited Items Policy](#). Beyond our seller policies, Etsy also seeks to reinforce appropriate product safety practices, which are reflected in our Product Safety Pledge.

- **Prevention:** We employ a broad range of tools and resources to detect and remove products that don't meet our standards and to mitigate the risk of reappearance. We work hard to maintain the integrity of our marketplace and continually seek opportunities to enhance our tools and processes, including those presented by new or emerging technologies.
- **Education:** Our teams work to empower our buyers and sellers with educational tools and resources that help buyers make informed purchasing decisions and help sellers understand requirements to sell on Etsy, which includes compliance with relevant regulations, local laws, and Etsy's policies.

- **Easy Alerts:** We maintain clear and direct means for verified authorities and trusted partners to easily notify us of product safety concerns. Additionally, we welcome any Etsy user to flag a listing with concerns about products to help inform the efforts of our Marketplace Integrity teams.
- **Quick Action:** If a regulatory authority provides us with sufficient information that they deem a product unsafe, we will promptly initiate removal of the product from the seller's shop.
- **Cooperation:** We value the expertise of regulatory authorities and third party experts in detecting unsafe products. We work closely with these partners to maintain marketplace integrity. If they notify us about a product safety issue that impacts our users, we work with these authorities, in accordance with our Privacy Policy and applicable law, to inform those who are affected.
- **Continuing Commitment:** We understand that product safety is an evolving space, and we will hold ourselves to these principles as the community of buyers and sellers grows. We publicly demonstrate our continuing commitment and hold ourselves accountable by annually reporting performance against our policies.

A MESSAGE FROM OUR LAWYERS

We are planning to provide transparency reports in the future, as we think it's important to share this data with the public. As legal frameworks change worldwide, the information we share and the way it's determined may change over time.

Contact

press@etsy.com

etsyadvocacy@etsy.com

117 Adams Street
Brooklyn, NY 11201

Etsy