Etsy

2022

Transparency Report

All about Etsy

Since 2005, Etsy has fostered a community where sellers and buyers around the world can find each other and connect over a shared love of unique and creative goods. All those connections support our mission to **Keep Commerce Human.**

90M

active buyers

5.4M

active sellers

+100M

items for sale

Today, we're as committed as ever to protecting what makes Etsy special. We invest heavily in maintaining and strengthening the integrity of our marketplace so our community can focus on their craft and the connections they build on our platform. Since 2015, we've released a Transparency Report annually to highlight this work. This report, covering January-December 2022, gives you an overview of our content policy enforcement, intellectual property takedowns, order issues, and requests for member information or account action.

We're not required to share all of this information, but we choose to provide it because we're committed to being a mindful and transparent organization. It's also one of many ways we continue to uphold our core company value of building a trusted brand for our buyers and sellers.

Etsy has experienced transformative growth in the last few years. Today, there are more than 100 million unique items available for sale on our marketplace, and our vibrant global community is made up of nearly 90 million active buyers and 5.4 million active sellers, a majority of which are women and sole owners of their creative business.

To support this growing community, we've expanded our Trust & Safety team, the group dedicated to keeping Etsy's marketplace safe by enforcing our policies and removing infringing items. In 2022, we invested more than $50 million in the team's people, technology, and operations because we know how important it is to keep Etsy special, unique, and safe as our community grows. We expect every user to follow our policies, which we call [Our House Rules](#), to ensure that Etsy remains a marketplace where creativity, authenticity, and diversity thrives. 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.

This report only covers the Etsy marketplace and none of Etsy, Inc.'s subsidiary brands.

Policy Enforcement

When sellers open a shop on Etsy, they commit to following our Seller Policy, which outlines what can be sold on Etsy and our customer service expectations. Our Trust & Safety team is dedicated to detecting potential content violations and enforcing against items and member accounts that are flagged for violating our policies. Policy violations include actions like listing mass produced items in our handmade category, attempting to sell items outlined in our Prohibited Items Policy, or attempting to commit fraud. Our team uses a combination of automated systems and human review by policy specialists to monitor and remove policy-violating listings and shops. Flags from our community members and trusted authorities are also an integral part of our Trust & Safety process. We strive to consistently enforce our policies and hold all members accountable to the same standards, strengthen trust in our community, and maintain the integrity of our platform.

Insights from 2022

In 2022, potentially non-compliant content was flagged 36 million times, a 112% increase from 2021. Approximately 95% of these flags were generated by our internal automated systems, while 5% were reported by our member community. The substantial increase in flag volume year over year is a reflection of Etsy's commitment to expanding enforcement across various areas like counterfeit, product safety, and handmade. Investing in automation also allowed us to more quickly detect potentially problematic listings. Although the number of flags doubled year over year, we reviewed 80% of flags within two working days and all flags within four working days, on average. In total, we removed 1.9 million listings for violating our policies in 2022, a 16% increase from 2021.
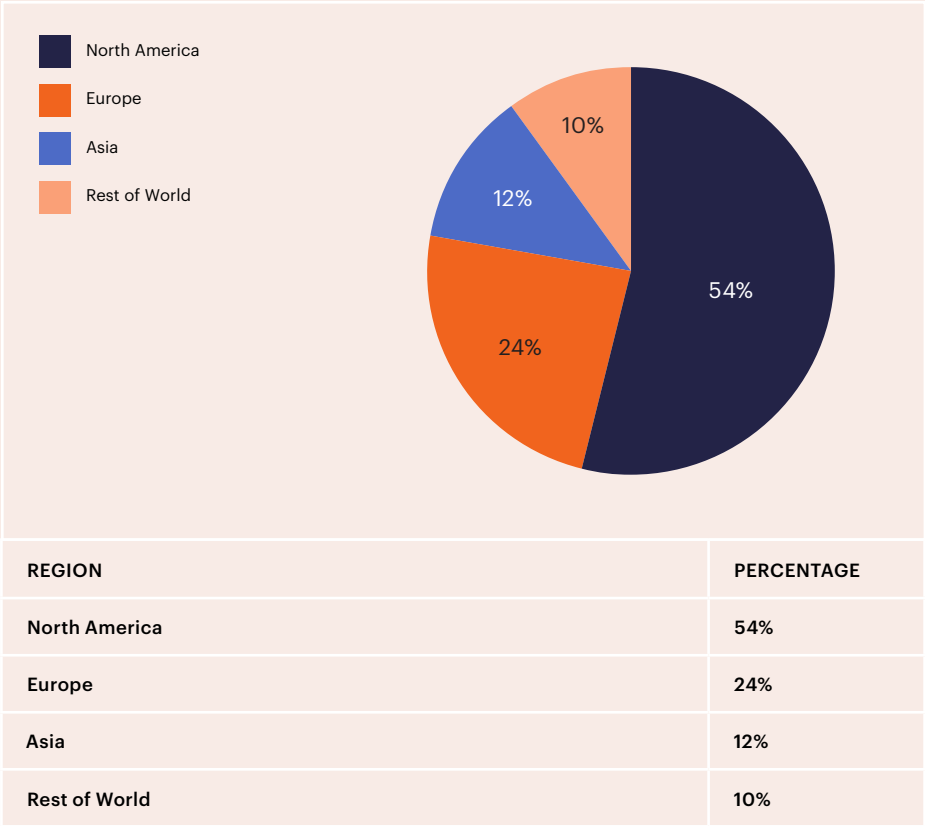
If we determine that a flagged item violates Etsy's policies, the enforcement action we take will vary based on the nature of the violation. For example, we may remove an item from the marketplace, provide a seller with educational content, temporarily suspend an account, or permanently refuse service to a member. Among the most common policy issues in 2022 were violations of our Intellectual Property Policy, Prohibited Items Policy, and Handmade Policy. More than 50% of the accounts we took action against in 2022 were sellers based in North America and a quarter of them were sellers from Europe.

95%
of flags generated by our internal automated systems

Policy Enforcement

Listings Flags, by source

SOURCE	PERCENTAGE
Etsy's automated systems	95%
Community	5%
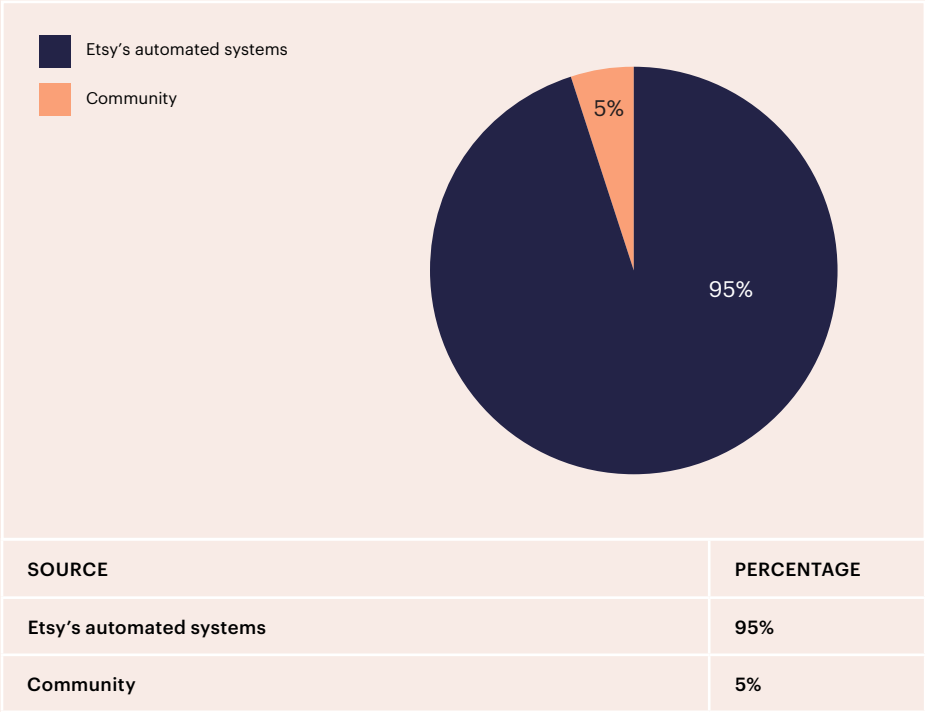
Accounts actioned for policy violations, by region

REGION	PERCENTAGE
North America	54%
Europe	24%
Asia	12%
Rest of World	10%

Policy Enforcement

Enforcing our Handmade Policy

The unique items sold by Etsy sellers make Etsy different from any other online marketplace. In 2022, we invested in people and technology to ensure Etsy remains the destination for special, one-of-a-kind, and handcrafted items.

As a result, **we removed more than four times as many listings for violating** our Handmade Policy in 2022 than the previous year. The vast majority of listings that we removed were identified by our automated systems. These automated tools enable us to identify items that don't belong on Etsy more quickly so we can send them to a policy specialist on our team for review.

In a recent survey, 87% of shoppers said Etsy has items they can't find anywhere else. Our Handmade policy is critical to maintaining the uniqueness that shoppers love about our marketplace, and we're committed to continuous improvements in how we enforce this policy.

Leveraging machine learning to improve our member experiences

As our marketplace grows in scale and diversity, we use machine learning to help shoppers find what they're looking for and have the best possible experience while shopping on Etsy. One example is how we're using machine learning to identify mature listings.

While Etsy prohibits sexually explicit content like pornography, we allow the sale of some items featuring mature content, such as sexual wellness products or artistic nudity, which we understand may not be for everyone. That's why, in 2022, we developed a mature content classifier which identifies potentially mature listings using text and image recognition. Using this technology, we work to keep these kinds of items from being displayed to users who aren't looking for them, while still allowing those who are to find them. While no technology is perfect and we may sometimes get it wrong, we've seen a 17% decrease in flags of mature content from our member community since adding this classifier to our search experience.

Intellectual Property Enforcement

As a venue for artists, designers, and makers, Etsy takes intellectual property rights seriously. We require sellers to 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 (DMCA). Our Legal Response and Enforcement team is responsible for reviewing reports of alleged infringement. Under our policies, rights holders can submit IP reports identifying content that they believe infringes their rights via the Etsy Reporting Portal, our newly launched central hub for reporting potential IP violations. Internal teams review every submission, and Etsy is committed to quickly removing any reported listings that do not comply with our IP Policy, as well as clearly communicating actions taken as a result of reports to affected members and third party reporters.

Insights from 2022

In 2022, Etsy scaled and enhanced its IP Protection and Anti-Counterfeiting Programs through investments in innovative products and technologies. We developed and deployed sophisticated tools and systems to help prevent potential counterfeit goods from appearing on our marketplace, make it easier for creators and brands to report alleged infringement, and help us identify potentially fraudulent or unauthorized reports. We strengthened our IP protection program through three key actions:

- In March, we published The Ultimate Guide to Intellectual Property in our Seller Handbook. This educational resource is designed to help sellers better understand IP rights.

- In April, we launched the Etsy Reporting Portal, a new interface for all rights holders (including sellers) and their agents to more easily report alleged infringement. The new reporting portal lets reporters save their information, report multiple listings at once, and track the status of their reports. This improved tool also introduces new safeguards to verify reporters and prevent fraudulent or unauthorized reports.

- In October, Etsy joined 32 other signatories in signing a European Commission memorandum of understanding (MoU), making a public commitment to work to prevent the sale of counterfeit goods online.
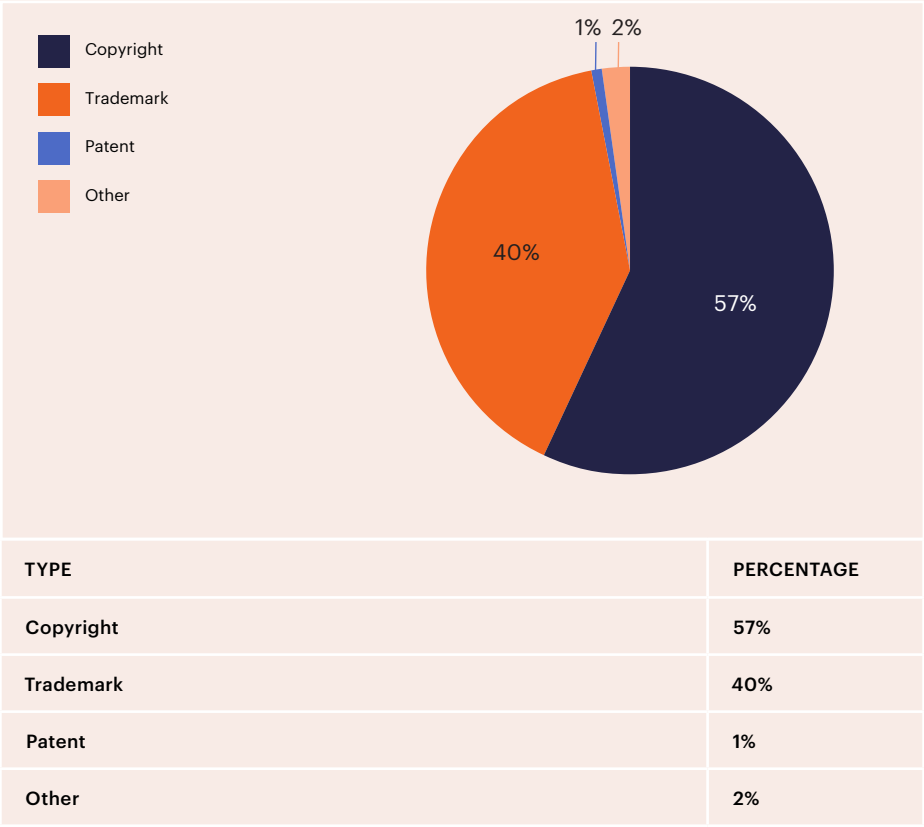
~99,000

**processed alleged
infringement reports**

Since launch, approximately 40% of the IP reports we received in 2022 were submitted through the Etsy Reporting Portal, and we're working to increase this number—using this portal is the most efficient and secure way for sellers, creators and brands to report potential IP issues to us. In 2022, Etsy processed approximately 99,000 alleged infringement reports, a 20% decrease from the year prior, and we removed a total of approximately 1.1 million listings—similar to the number of listings removed in 2021. We also removed approximately 468,000 listings in 2022 for suspected counterfeiting violations through flags generated by our internal automated systems, a 35% increase compared to 2021, reflecting enhancements to our proactive controls to combat potential IP violations and counterfeiting. Tackling counterfeit items continues to be a priority for our Trust & Safety team. We'll continue to thoughtfully expand our enforcement efforts, partner with rights holders to remove suspected counterfeit goods, and use innovative technology to detect and more quickly remove those listings.
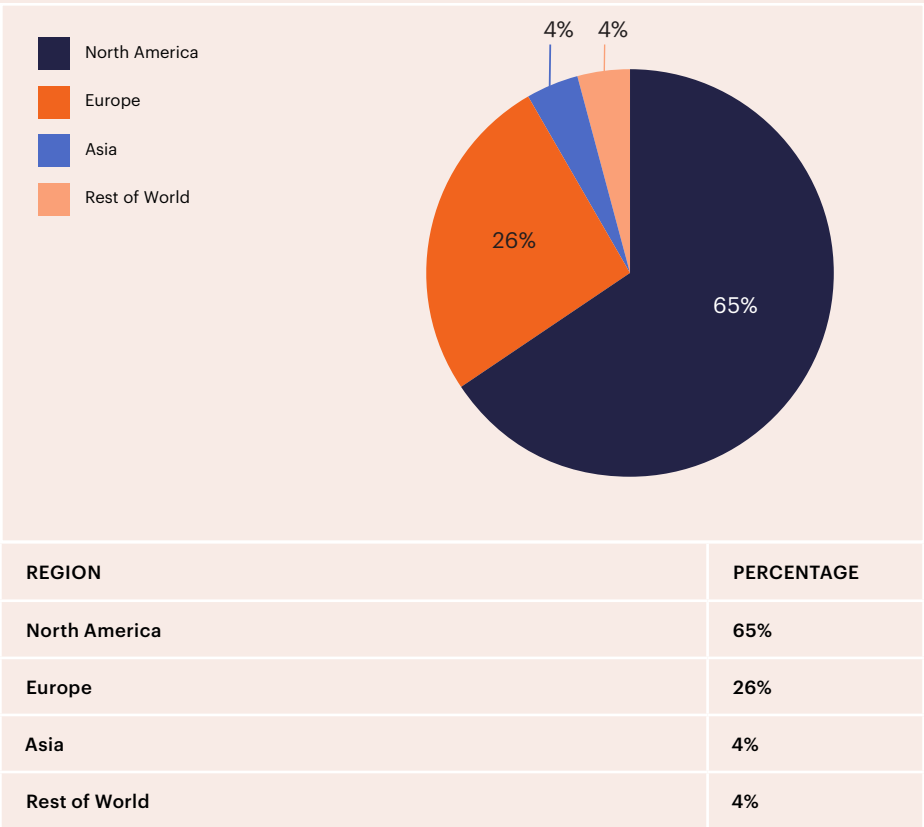
Reporting parties formally withdrew their reports(s) of alleged infringement for 2% of reported listings. We rejected 17% of reports in 2022, a 5% decrease from 2021. Etsy may reject a report of infringement if we're unable to verify that the person submitting the report is authorized to act on behalf of the intellectual property owner, when the description of the intellectual property is insufficient, or when the report otherwise fails to comply with Etsy's policies. When a seller's listing is removed in response to a copyright infringement report, in certain cases, sellers can file a counter-notice in accordance with the Digital Millennium Copyright Act (DMCA). In 2022, sellers filed counter-notices for 8% of copyright infringement reports, 10% less than we saw in 2021.

Intellectual Property Takedowns

Intellectual Property Takedowns, by IP issue

Legend:
- Copyright
- Trademark
- Patent
- Other

Pie chart values: 57%, 40%, 1%, 2%

TYPE	PERCENTAGE
Copyright	57%
Trademark	40%
Patent	1%
Other	2%

Intellectual Property Takedowns, by reporter region

Legend:
- North America
- Europe
- Asia
- Rest of World

Pie chart values: 65%, 26%, 4%, 4%

REGION	PERCENTAGE
North America	65%
Europe	26%
Asia	4%
Rest of World	4%

Resolving Order Issues

Etsy sellers offer great customer service. If a buyer experiences an issue with their order, sellers are the first point of contact to help resolve it quickly. Buyers can easily reach out to the seller by starting a "Help With Order" request from their Purchases and reviews page and selecting their order issue from the dropdown. 90% of order issues are typically resolved between the buyer and seller without Etsy getting involved.

If the issues can't be resolved between the buyer and seller, the buyer can open a case and ask Etsy to resolve the issue. While we always recommend reaching out to the seller first and opening a case if needed, buyers can also contact Etsy through chat, phone, or email at any time.

Etsy's Purchase Protection program, which we launched in August 2022, makes our purchase protection policies clearer and more easily available for buyers and sellers. By improving the resolution experience for buyers in the rare case something goes wrong, Etsy's Purchase Protection enables buyers to shop more confidently. This is bringing back buyers to shop more often on Etsy. With Etsy Purchase Protection buyers will receive a full refund for purchases that don't match the item description, arrive damaged, or never arrive. We are also investing directly in our sellers by providing more support and coverage when the unexpected happens. Etsy will cover certain refunds on sellers' behalf, for orders that meet the Etsy Purchase Protection eligibility requirements.

Insights from 2022

Buyers can more easily report issues

Just 0.37% of orders placed in 2022 resulted in a case, down from 0.46% in 2021. We also saw an increase in Help With Order messages between buyers and sellers. Our data shows that 4.35% of orders resulted in a Help With Order request, up from 3.72% in 2021. We believe this increase was driven in part by improvements we made to the Help With Order experience that made it easier for shoppers to see the status of their order and reach out directly to the seller instead of opening a case.

Buyers are getting faster resolutions

On average, cases were resolved by our team in just 14 hours in 2022. That's down from 4.5 days in 2021. Launching Etsy Purchase Protection in August 2022 meaningfully contributed to our ability to resolve issues faster.

In 2022, our Easy Resolution rate increased to 64%. That's up from 59% in 2021. An Easy Resolution on Etsy is when a buyer gets their item, or a refund, in 2 or fewer contacts and in under 5 days from the date they submit their report.

The decrease in case resolution times and increase in Easy Resolution rate came from improvements that streamlined the case system in late 2021. Tooling updates, new training for support agents, and clarifications to the buyer and seller policies that rolled out with Etsy Purchase Protection all contributed to these improvements. We also made it easier for buyers and sellers to resolve issues on their own via Help with Order, and introduced a new case type: "Arrived Damaged". Both of these improvements had a positive impact on Easy Resolution rate. We believe that giving buyers a great issue resolution experience will drive confidence in shopping on Etsy, and will bring buyers back to shop more often.

Sellers are also getting more access to support

In 2022 we made big investments in our support teams to ensure that sellers could get help when they needed it. In the second half of 2022, we opened up live support channels to more sellers, which led to a large portion of seller support requests shifting from email and into live channels (chat and phone) where we can resolve issues faster. For example, we expanded our popular Help Center live chat support to be available to all sellers, 24 hours a day, every day. Now, most sellers wait less than one minute to be connected with an agent.

By the end of 2022, 60% of sellers who reached out to support got help in one of our live channels. That's up from just 34% in the first half of 2022. Expansion of seller support availability continues to be an area of focus and investment for Etsy in 2023.

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 improve products and experiences for our community.

- **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 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 Transport Layer Security 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 tell you what data we collect, how we use data, and how we share it (including via cookies or Software Development Kits). We 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 2022

Etsy produced records in response to 553 of the 983 legal process requests we received, which requested information relating to one or more members, transactions, listings, and other content on Etsy. We disclosed these requests to 727 affected members. Etsy generally notifies affected members before disclosing records or information requested about them, unless legally prohibited from doing so, or where Etsy has a clear indication of illegal conduct and prior notification would be counterproductive.

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 policy 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.

We did not receive national security letters, Foreign Intelligence Service Act (FISA) orders, or other classified requests for information in 2022.

We processed 179,041 requests from members to permanently close and delete their accounts.

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 Principles.

- **Prevention:** We employ a broad range of tools and resources to help 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 our enforcement efforts.

- **Quick Action:** If a regulatory authority provides us with sufficient information that they deem a product unsafe, we take prompt action to remove the item 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.

Increased seller education and resources

We published an Unsafe or Recalled Products resource that provides educational resources to the Etsy community on recalled items and reporting unsafe products. We believe that items on Etsy should be safe and well-made. Product safety and compliance are paramount for sellers when listing products on the marketplace, so in 2022 we shared an updated seller education roundup to help sellers better understand current best practices for designing safe and compliant products. We also partnered with Kids in Danger (KID), a nonprofit organization dedicated to children's product safety, to provide small business sellers with new educational resources, including sharing KID's online training for making and designing items with child safety in mind with sellers.

Looking ahead

As Etsy's marketplace has grown in both size and complexity, we've invested heavily in scaling our automated detection to keep up with the pace of seller onboarding and new listings. In 2023, we currently plan to invest over $50 million in the people, technology and infrastructure that keep our marketplace trusted and safe. Key focus areas include:

- We're **enhancing and expanding our seller verification processes** for new and existing sellers because we recognize that knowing who our sellers are is foundational to promoting trust and supporting positive buying and selling experiences.

- We're **doubling down our policy enforcement efforts in key areas** such as Handmade, anti-counterfeit, and prohibited items that may be unsafe or inappropriate for some audiences. To do this, we'll leverage machine learning to improve our detection capabilities as well as increase the accuracy and precision of listings flagged by our automated tools. We'll also increase the size of the teams responsible for reviewing flagged listings.

- We'll continue to **provide sellers with more transparent communications** so that they better understand why their listings or shops may have been removed.

- We're also committed to improving the experience of sellers, and have begun **rolling out an updated appeals center** that makes it easier for sellers to ask our Trust & Safety team to review and reconsider eligible account suspensions. Since introducing this new process in early 2023, we've already seen a 17% increase in seller satisfaction regarding how Etsy handles appeals through this new process.

- We'll **offer sellers additional educational resources** so they are empowered to protect their own IP and brand, and know the steps to take to report potential infringement.

We believe all of these efforts will help ensure that Etsy continues to be a place where creativity thrives.

A MESSAGE FROM OUR LAWYERS

We are voluntarily providing this report and planning to provide transparency reports in the future. We think it's important to share this data with the public. As legal frameworks change worldwide, the information we share and the way in which it's presented may change.

Etsy