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Paytm shuts shop for 3,000 sellers to self-regulate e-commerce business

Paytm is not the first company to have delisted sellers over malpractices — Flipkart and Amazon have also delisted the sellers in the recent past.

By: [Sunny Sen](#) | New Delhi | Updated: December 4, 2015 9:57 AM



Paytm is not the first company to have delisted sellers over malpractices — Flipkart and Amazon have also delisted the sellers in the recent past. (Photo: Reuters)



One97 owned mobile wallet brand Paytm has delisted 3,000 of its sellers across 50 categories in an attempt to self-regulate its online e-commerce marketplace business.

Earlier just a mobile wallet company, essentially to make bill payments and recharges, Paytm has evolved into a marketplace like [Flipkart](#), [Snapdeal](#) and [Amazon](#) in March 2014.

Since then the company has added 98,000 sellers who sell their products on its platform.

The delisting started in March 2015, just a year after the marketplace was started, due to seller malpractices. Sudhanshu Gupta, associate VP at Paytm explained to FE that the delisting happened due to multiple reason. “There are some sellers who hiked the maximum retail price of products in order to show that they are offering discounts,” said Gupta.

In another incident, a seller was selling Calvin Klein jeans for R10, the actual price of the real products are in upward of R5,000. The products were fake, and the seller was delisted.

Fake products are very common on e-commerce platform. Another e-commerce marketplace Shopclues had a host of Tag Heuer watches available at prices between R1,000 and R5,000, while the actual price of the watches were upward of R85,000.

On Paytm, there were sellers who created multiple seller accounts and were buying from each other. “Few merchants keep buying their own goods to improve their seller rating. We delisted those accounts,” said Gupta. In an ideal situation one seller should have only one account.

Paytm is not the first company to have delisted sellers over malpractices — Flipkart and Amazon have also delisted the sellers in the recent past. Shopclues said that it had removed the products as well as the seller from its marketplace.

With increasing malpractices over the marketplace, Paytm has set up a technology team in Toronto. “The team is working on creating algorithms to catch seller frauds,” said ^Q Gupta. It has also started working with brands and sellers to ensure authentic products.

“For branded products we have started asking sellers to provide us an MoU with the brands for which they are authorised sellers. We will not allow them to sell on the Paytm platform without verifying the sellers,” said Gupta.

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Paytm also imposed heavy penalty around 7 Lakhs on thousands of sellers... we know many of those sellers.. ! It is requested to every one to help those seller and request paytm to remove those penalties! If you are also the victim of paytm penalty then you can contact us at

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780

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The quality of products on e-commerce is really bad. So if Paytm has penalized someone, I think it is for good of customers. The only thing that could be said in favour of fraudulent Sellers is that they should be warned at first and degree of penalty be incrementally increased.

12 months ago (0) · (0) [reply \(0\)](#)**Manikant**



An advertisement for RummyCircle.com. The background is dark red with bokeh light effects. At the top, the RummyCircle.com logo is displayed. Below it, a yellow-bordered box contains the text "ரூ.1+ கோடி வெல்லலாம்" in Tamil. Underneath is a yellow button with the text "Add Cash". A woman with a surprised expression is shown from the chest up, with her hands raised. In front of her is a green table with playing cards and stacks of cash. The text "T&C" is visible in the bottom right corner.

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