



Seller Penalty Points

Guide to Shopee's seller performance policies and standards

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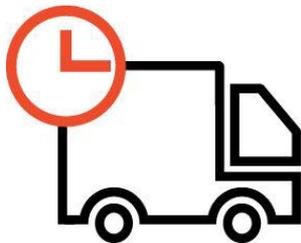


Overview of Seller Penalty Points

What is good seller performance?

Shopee encourages sellers to deliver high service standards. By providing a great buying experience to their customers, sellers benefit from **improved sales, increased customer loyalty** and **higher positive reviews**.

There are **three pillars of good performance** for sellers on Shopee:



Fulfilment: Fast shipments and a seamless shopping experience **build customer trust and loyalty**.



Listing/Content: Buyers shop with **confidence** when they trust that products are authentic and described accurately.



Customer Service: Prompt, informative and friendly replies help buyers to make **informed decisions about their purchases**.



How is good seller performance rewarded?

Marketing Campaigns



- Access to My Campaigns on Seller Centre
- Eligible to participate in daily Flash Sales

Free Shipping



- Eligible for free shipping and shipping rebates

Search and Browse



- Improved search rankings

Top-performing sellers are eligible to be Preferred Sellers and enjoy exclusive benefits

1. Assure buyers of your store's quality with the Preferred Sellers tag on your products and store
2. Attract buyers with a lower minimum spending requirement for free shipping
3. Gain a further boost to your search ranking so that more buyers discover your products
4. Reward buyers for shopping at your store with Shopee Coins for every purchase



What are Seller Penalty Points?

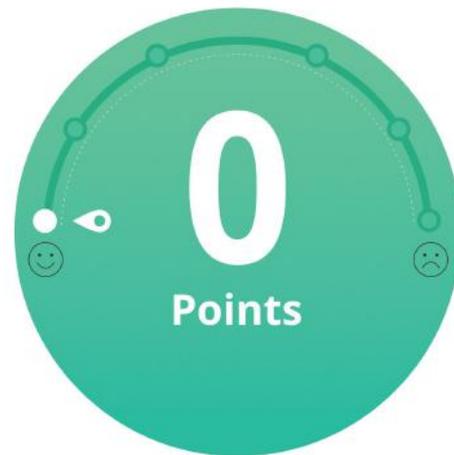
We want to create a **great experience for buyers on Shopee**. To achieve this, we encourage sellers to deliver high standards of performance.

When is Penalty Points issued?

Penalty Points may be issued to sellers who do not meet the minimum standards that buyers expect. This **alerts sellers on potential areas for improvement**.

What happens when sellers receive Penalty Points?

Sellers that repeatedly receive Penalty Points may have some of their seller benefits temporarily withdrawn. This **provides time for seller to make adjustments to their operations**. Sellers will regain their privileges as long as they make improvements.



When are Seller Penalty Points issued?

Penalty Points may be issued to sellers who do not meet Shopee's performance targets. Performance is measured on a **weekly basis**. Sellers will be updated on their performance at the start of each week.

Operational Excellence Pillar	Key Performance Metrics	Calculation Period	Points Issued per Week
Fulfilment	High Non-Fulfilment Rate	7 days	Up to 2 points
	High Late Shipment Rate	7 days	Up to 2 points
Listing/Content	Prohibited listings/Advertisements	7 days	Up to 2 points
	IP Infringement and Counterfeit	7 days	Up to 2 points
	Listing Spam (e.g. keyword, price, duplicate)	7 days	Up to 2 points
	High % of Pre-Order Listings	7 days	1 point
Customer service	Rude/Abusive Chats/Review Replies	7 days	2 points
	Request Buyer to Cancel	7 days	2 points



What happens when sellers receive penalty points?

Seller privileges may be temporarily withdrawn for sellers that accumulate a high number of Penalty Points. **The more points accumulated, the fewer privileges the seller will enjoy.**

We will **reinstate your seller privileges after 28 days as long as you take steps to improve and stay on target.** However, any points accumulated will remain on record until the quarter ends. **Points will reset to 0 at the start of each quarter** (1st Monday of Jan, Apr, Jul, Oct) to give all sellers a fresh start.



Penalty points	3	6	9	12	15
Penalty Tier	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Ban from marketing campaigns (for 28 days)	•	•	•	•	•
Remove free shipping or shipping rebates (for 28 days)		•	•	•	•
Hide all listings from browse (for 28 days)		•	•	•	•
Hide all listings from search (for 28 days)			•	•	•
Block listing creation and edit (for 28 days)				•	•
Freeze account (for 28 days)					•

A temporary listing limit will also be applied on top of any existing penalties if sellers accumulate **high Penalty Points from listing violations**



Penalty points example 1

Seller A



- Seller A is issued 3 Penalty Points in week 3
- Seller is banned from marketing campaigns for 28 days
- Seller regains privilege on week 7



Penalty points example 2

Seller B



- Seller B is issued 3 Penalty Points in week 3
- Seller is banned from marketing campaigns for 28 days
- Seller does not improve and accumulates 6 Penalty Points by week 5
- Seller is not allowed to participate in marketing campaigns, will not receive shipping subsidies, and listings will be hidden from browse for 28 days
- Seller regains privileges on week 9



Seller policies and performance standards

Seller Policies: Fulfilment Policy



Fulfilment

- Non-Fulfilment Policy
- Late Shipment Policy



Listing/Content

- Prohibited Listing Policy
- IP Infringement and Counterfeit Policy
- Listing Spam Policy
- Pre-Order Listing Policy



Customer Service

- Customer Service Policy



Non-fulfilment Policy

High cancellation of orders and return/refund due to seller's fault

Overview

- Buyers trust that their orders will be **fulfilled accurate and reliably**.
- Shopee tracks sellers with a high **Non-fulfilment Rate** (NFR). The NFR is the % of total orders within the last 7 days that were cancelled or returned due to the seller's fault.
- Sellers with high order volume and low NFR will be given priority to join Shopee's Preferred Sellers programme.

Points issued for performance above thresholds

Performance Metrics	Thresholds	Points Issued
Non-fulfilment Rate	≥ 15% NFR	1 point
	≥ 15% NFR and ≥ 50 non-fulfilled orders	2 points



Late Shipment Policy

Long order preparation time and handover to logistics provider

Overview

- Buyers expect to receive their online purchases **quickly**. They prefer to shop from sellers that can provide **timely and efficient** shipping.
- Shopee tracks sellers with an unsatisfactory **Late Shipment Rate** (LSR), which is the % of total orders within the last 7 days that were shipped out late.
- Sellers with high order volume and low LSR will be given priority to join Shopee's Preferred Sellers programme.

Points issued for performance above thresholds

Performance Metrics	Thresholds	Points Issued
Late Shipment Rate	≥ 15% LSR	1 point
	≥ 15% LSR and ≥ 60 late-shipped orders	2 points



Seller Policies: Listing / Content Policy



Fulfilment

- Non-Fulfilment Policy
- Late Shipment Policy



Listing/Content

- Prohibited Listing Policy
- IP Infringement and Counterfeit Policy
- Listing Spam Policy
- Pre-Order Listing Policy



Customer Service

- Customer Service Policy



Prohibited Listing Policy

Prohibited products, advertisements, switched listings, misleading discounts

Overview

- Buyers trust that they can shop with confidence on Shopee.
- Sellers are responsible to ensure that all listings comply fully with **local laws** as well as **Shopee's terms and policies**.
- Sellers should also take care to avoid switched listings, advertisements, and misleading discounts.
- Shopee will penalise sellers for any violation of these policies. Any listings that do not meet these conditions may also be **removed without prior notice**.

Points issued for performance below target

Performance Metrics	Target	Points Issued
Products prohibited by law	None	Up to 2 points
Products violating Shopee's terms and policies		
Products sold without a required license		
Advertisements		
Switched listings		
Misleading discounts		



IP Infringement and Counterfeit Policy

Unauthorised use of IP-protected material and imitations of existing brands

Overview

- Listings should not contain **unauthorised use of trademarks, copyrights, or other IP rights**.
- **Counterfeit items** are products that were made in exact imitation of an existing brand with the intention to deceive or defraud.
- **Sellers should only list authentic products**. The sale of counterfeit items is strictly prohibited and will be deleted.

Points issued for performance below target

Performance Metrics	Target	Points Issued
IP Infringement	None	Up to 2 points
Counterfeit Items		



Listing Spam Policy

Duplicates, keyword spam, price spam, attribute spam

Overview

- **Spam and duplicate listings will be removed.** This policy prevents one seller from dominating search results and confusing buyers.
- Listings are deemed to be spam if they **contain misleading or inaccurate details** (e.g. name, image, product attributes, price).
- Listings that feature items that **do not differ significantly from each other** will also be deemed to be duplicates.

Points issued for performance below target

Performance Metrics	Target	Points Issued
Duplicate listings	None	Up to 2 points
Price spam		
Keyword spam		
Attribute spam		
Re-uploading of deleted listings		1 point



Pre-Order Listing Policy

Overview

- **Pre-Order Listings** are listings of products which have **Days-to-Ship (DTS)** set to be longer than the default DTS of 2 days.
- Sellers are **discouraged from having too many Pre-Order Listings**, as **buyers prefer products that will be shipped quickly**.
- Shopee tracks sellers with an unsatisfactory **% of Pre-Order Listings**, which is calculated based on the ratio of live pre-order listings to total live listings on your shop (deleted and suspended listings are excluded from this calculation).

Points issued for performance below target

Performance Metrics	Target	Points Issued
High % of Pre-Order Listings**	< 20%	1 point

*** This performance metric is only applicable to sellers that have at least 100 Pre-Order Listings*



Seller Policies: Customer Service Policy



Fulfilment

- Non-Fulfilment Policy
- Late Shipment Policy



Listing/Content

- Prohibited Listing Policy
- IP Infringement and Counterfeit Policy
- Listing Spam Policy
- Pre-Order Listing Policy



Customer Service

- Customer Service Policy



Customer Service Policy

Chat Response Rate, rude/abusive chat, replies & reviews

Overview

- Shopee aims to create a **safe and friendly community** of buyers and sellers. Buyers and sellers are encouraged to interact actively and in accordance with our Community Guidelines.
- We adopt a **zero tolerance policy on abuse or harassment**. Violations may result in the issuance of Penalty Points or account termination.
- Sellers that wish to cancel an order should initiate the cancellation themselves. **They should not request for buyers to cancel the order**. Violations of this policy will be detected and penalised.

Points issued for performance below target

Performance Metrics	Target	Points Issued
Rude/abusive chats	None	2 points
Rude/abusive review replies		
Request buyer to cancel		



Summary of policy definitions and implications

Summary of seller performance targets and associated Seller Penalty Points

Seller Policy	Performance Metric	Details / Definition	Target	Points Issued
Non-fulfilment Policy	High Non-fulfilment Rate (NFR)	The percentage of total orders that were cancelled and returned due to seller's fault in the past 7 days	< 15% NFR	Up to 2 points
Late Shipment Policy	High Late Shipment Rate (LSR)	The percentage of total orders that were shipped out late in the past 7 days	< 15% LSR	Up to 2 points
Prohibited Listing Policy	Prohibited products by law	Products that are prohibited to be sold by law	None	Up to 2 points
	Products violating Shopee terms and policies	Products that are prohibited to be sold under Shopee's terms and policies		
	Products without relevant license	Products sold by sellers without an appropriate license as required by government regulations		
	Advertisements	Listings of products that are not sold on the Shopee platform		
	Switched listings	Listings that have been edited to sell a product that differs from the product described in the listing		
	Misleading discounts	The deliberate increase of product prices just before a discount is offered for the same product, with the intention of exaggerating the discount offered		



Summary of seller performance targets and associated Seller Penalty Points

Seller Policy	Performance Metric	Details / Definition	Target	Points Issued
IP Infringement and Counterfeit Policy	IP infringement	The use of trademarked, copyrighted or other material protected by Intellectual Property rights in listings	None	Up to 2 points
	Counterfeit items	Products that were made in exact imitation of an existing brand with the intention to deceive or defraud		
Listing Spam Policy	Duplicate listings	Listings that do not differ significantly from other listings on the same store	None	Up to 2 points
	Price spam	The practice of listing items at extremely low or high prices to get more views, but with no intention to sell the items at the listed price		
	Keyword spam	The use of irrelevant search terms in product titles		
	Attribute spam	The use of incorrect attributes in product listings		
	Re-uploading of deleted listings	The practice of re-uploading, without any edits, listings that have previously been deleted by Shopee	None	1 point



Summary of seller performance targets and associated Seller Penalty Points

Seller Policy	Performance Metric	Details / Definition	Target	Points Issued
Pre-Order Listing Policy	High % of Pre-Order Listings**	Pre-Order Listings are listings of products which have Days-to-Ship (DTS) set to be longer than the default DTS of 2 days. The % of Pre-Order Listings is the ratio of live Pre-Order Listings to total live listings on your shop, excluding deleted or suspended listings.	< 20%	1 point
Customer Service Policy	Rude/abusive chats	Use of abusive or threatening language while communicating with buyers via chat	None	2 points
	Rude/abusive review replies	Use of abusive or threatening language when replying to buyer reviews		
	Request buyer to cancel	The practice of requesting buyers to initiate the cancellation of an order that the seller wishes to cancel		

** This performance metric is applicable only to sellers with more than 100 live Pre-Order Listings on their shop



How to submit an appeal

How can I raise an appeal?



Please reach out to our Customer Service team or your Relationship Manager (if applicable) if you have questions or if you would like to raise an appeal.

We will remove any Penalty Points issued and restore any withdrawn privileges if your appeal is successful.





Thank you

Learn more about best practices for selling on

Shopee on Seller Education Hub:

<https://seller.shopee.ph/edu>