

The complaint

S complains about how Amazon Payments UK Limited, trading as Amazon Payments has handled their business account.

What happened

The background to this complaint is well known to both S and Lloyds. In my decision, I'll focus mainly on giving the reasons for reaching the outcome that I have.

S had an Amazon sellers account. Amazon contacted S to request further information. S was unhappy with the time Amazon took to complete this process and complained. Amazon didn't uphold the complaint and S referred their concerns to our Service for an independent review. Our investigator didn't recommend that this complaint be upheld and as S remained unhappy, the complaint has been passed to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Although a number of issues have been raised, this decision only addresses those issues I consider to be materially relevant to this complaint. This isn't meant as a discourtesy to either party – it simply reflects the informal nature of our Service. I won't comment on every interaction between both parties here – only the key ones.

What my decision won't consider

As outlined by our Investigator, the other main issue (the Valid Tracking Rate system) raised as part of this complaint doesn't fall under our Service's jurisdiction.

S has referred to some changes later took place to S' business whilst the knowing your customer process was ongoing - that meant further information was required by Amazon and this prolonged the process. S has told our investigator that they didn't raise these delays with Amazon – so my decision won't address this issue.

Knowing your customer

As an authorised UK payments institution, Amazon must take responsible steps to verify their customers and their business activities. Often this process is referred to as 'Knowing your customer' ('KYC'). In the relevant agreements here, this was set out:

“1.4 Verification. We may require you to provide additional information to verify your and/or your business' identity as a condition of providing the Service to you or before we permit you to receive or transfer funds from your Account...”

“5.3 Suspension or Termination by Us....Without limiting the foregoing, we may suspend the Service and block access to your Account (including without limitation

the funds in your Account) if (a) you have violated the terms of this Agreement, (b) we determine that you pose an unacceptable risk to us, (c) you provide or have provided false, incomplete, inaccurate, or misleading information (including without limitation any registration information) or otherwise engage in fraudulent or illegal conduct, (d) we have security concerns regarding your Account, including your Credentials, or (e) we suspect unauthorized or fraudulent use of your Account or any payment information in your Account.....”

I find that it was reasonable of Amazon to request further information from S about their business and business activities. Having reviewed the communication from Amazon, I’m satisfied that they were clear in what they asked S for and the likely consequences should the required information not be received at each stage. I recognise that KYC has caused S inconvenience, but Amazon were acting in capacity as a responsible payments institution.

The delays

I accept this process took far longer than either party would’ve liked. Amazon say that some of the delays caused were because of their resourcing issues. But I’ve kept in mind that the KYC process was taking place against the backdrop of the COVID-19 pandemic which caused unprecedented challenges for businesses as they tried to continue to offer their services to customers.

Amazon in particular saw unprecedented demand for their services from businesses and consumers. It’s not the role of our Service to tell businesses how to operate or recruit.

But I have then considered the overall time taken whilst KYC was ongoing. Having carefully considered the various information requests Amazon made to S, I’m satisfied that they’ve acted fairly, reasonably, and proportionately. For example; some of the information didn’t meet the required standard or what was asked for, other information was out of date by the time it had been reviewed. Overall, I don’t find it was unreasonable of Amazon to request further information on certain occasions – based on outstanding questions they had about what had been provided .

I’ve also considered what S has told us about the impact of this experience on their business. In particular, that they say they couldn’t trade at what was usually their busiest time of the year. Whilst this was unfortunate, I’m satisfied that Amazon have acted in line with the terms of this agreement and - in this particular case they don’t need to compensate S:

“5.4 Effect of Termination. *Without limiting Section 9, we will not be liable to you for compensation, reimbursement, or damages of any kind, direct or indirect, including damages on account of the loss of prospective profits, anticipated sales, goodwill, or on account of expenditures, investments, or commitments in connection with any termination or suspension of the Service.”*

My decision will no doubt disappoint S, but it brings to an end our Service’s involvement in trying to informally resolve their dispute with Amazon.

My final decision

I don’t uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 7 November 2022.

Daniel O'Shea
Ombudsman