

## **The complaint**

S, an overseas business, complains that Amazon Payments UK Limited (“APUK”) declined its application for a payment account and did not explain its reasons for doing so. It has not refunded fees taken, even though no account was ever operational. S is represented by its owner, Mr C.

## **What happened**

In September 2020 Mr C applied on behalf of S for an account with APUK. If the application were accepted, APUK would provide payment processing services to S, allowing it to accept card and online payments for items sold through Amazon Services Europe Sarl (ASE), an affiliate of APUK.

APUK decided however that it would not be willing to provide payment processing services to S. S appealed against that decision, but APUK was not willing to change it. It says it sent an email to Mr C in February 2021 confirming its position. Mr C did not receive it and continued to write to APUK. It was slow to respond or did not respond at all. It said in an email of 14 July 2021 that S could refer the matter to this service.

Mr C did that, and one of our investigators considered what had happened. He acknowledged that APUK was within its rights to decline the application and suspend the account. He did not think however that APUK had treated S fairly and recommended that APUK pay £100 in recognition of the inconvenience to which S had been put and that it refund any fees levied. APUK did not agree with the investigator’s recommendations. Because no agreement has been reached, the case has been passed to me for further review.

## **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.

This service will not generally tell financial businesses whether or not they should provide services (or continue to provide services) to individuals or businesses. It was for APUK to decide whether it wanted to deal with S, as a matter of its own commercial judgment. I agree that it could decide not to do so here.

I believe too that APUK told S that its appeal had been unsuccessful, although I also accept that Mr C may not have seen the notification sent on or about 4 February 2021.

When, however, Mr C continued to correspond with APUK about the application for payment services, I think it would have been helpful if APUK had explained that the application and the appeal had been declined and that the account was therefore suspended. He was given the impression that the appeal had not been dealt with. Because of that, S was put to unnecessary inconvenience. I think that the investigator’s recommendation of £100 compensation in recognition of that is fair in the circumstances.

The investigator also recommended that APUK refund any fees taken; Mr C said that fees had been deducted until June 2021, even though the account had not been operational and even though S had not made any sales.

APUK referred to the account terms, which sought to exclude liability for any losses resulting from, for example, lost sales in the event of suspension of the account. It said too that Mr C should contact ASE if he wanted S to have a refund.

My understanding however is that any fees were deducted by APUK, so I think it is reasonable that it addresses any refund of it. It is a matter for APUK and ASE if any adjustment needs to be made between them.

As far as the account terms are concerned, S is not, in my view, seeking compensation for losses arising from the account suspension. It is seeking a refund of fees taken for payment processing services which – for entirely legitimate reasons, as I have explained – have not been provided. So, even if I were to accept that APUK can exclude liability for loss of revenue or profits (for example), I do not believe it would be fair to allow it to retain any fees it has taken – given that no sales have taken place and no payments have been processed.

### **My final decision**

For these reasons, my final decision is that, to resolve S's complaint, Amazon Payments UK Limited should pay S £100 (or the equivalent in the currency chosen by S) and refund any fees it has taken from it.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 28 February 2023.

Mike Ingram  
**Ombudsman**