

The complaint

Z, a limited company, complains Amazon Payments UK Limited closed its account and won't release the money in it.

Mrs S, a director and represented by Mr S, has brought the complaint on Z's behalf. For ease I've only mentioned Mrs S in my decision, regardless of whether Mr S made the submission.

What happened

Z opened a payment account with Amazon so it could sell on Amazon's retail platform. Amazon carried out a review and asked Z to provide documents.

Mrs S sent in proof of identification and address. Amazon wasn't satisfied with the proof of address, so it asked for an alternate proof. Amazon wasn't happy with the second proof of address either so it blocked Z's account.

Mrs S complained to Amazon, and it responded to say it had reviewed Z's account and could no longer continue to offer it an account.

Unhappy with this response, Mrs S brought Z's complaint to this service. An investigator looked into things and thought Z's complaint should be upheld.

The investigator accepted Amazon was allowed to review and close accounts. But the investigator said the money in the account wasn't Amazon's to keep and thought any review should have been finished by the point they assessed the complaint.

The investigator thought Amazon should release the money and pay 8% simple interest on the balance.

Amazon responded to say it couldn't release the money if its review wasn't completed correctly. Amazon was still unhappy with the proof of address supplied.

Amazon asked for an ombudsman to decide things.

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.

Amazon has said it's holding onto the money in Z's account in line with its terms and conditions. Section 5.3 of its terms say:

"we may suspend the Service and block access to your Account (including without limitation the funds in your Account) if (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.”

Amazon's explained it's looking to rely on the provision of false, incomplete, inaccurate or misleading information part of this term.

Like the investigator, I accept Amazon has legal and regulatory obligations to comply with. One of these is ensuring it knows who's opened an account with Amazon. I think Amazon was entitled to review Z's account and ask Mrs S to provide identity documents.

Amazon contacted Mrs S several times to request the information, and warned Z it might close the account if it didn't receive satisfactory proof. I don't think Amazon was wrong in closing Z's account, it's acted in line with its terms and conditions.

But I don't think it's fair for Amazon to continue to hold the money that was in Z's account, apparently indefinitely. Amazon's terms say it can hold Z's money for as long as it takes for a review to be completed.

The terms also say it can hold Z's money as required by law or court order, law enforcement or other governmental entity. Amazon hasn't said there are any legal reasons it should be holding onto Z's money. And like the investigator, I think Amazon's completed its review.

I've seen the proof of identity Mrs S provided, and Amazon's satisfied this is correct. Amazon's concerns relate to Z's proof of address. Mrs S provided Amazon with a stamped statement from a bank.

Amazon hasn't explicitly stated what concerns it had with this statement, just that it had concerns. As part of the investigator's work on Z's complaint, they contacted the bank that issued the statement.

This bank confirmed the statement was genuine, the account was in Z's name and the address details on the statement matched what it had on record for Z.

Amazon's been told the bank issuing the statement has verified it, but Amazon still has concerns. I'm satisfied the statement Mrs S sent Amazon is legitimate, and I don't think it should have further concerns around its validity.

Since I think Z, and Mrs S, has provided enough evidence to satisfy Amazon's review, I think it's unfair for Amazon to hold onto Z's money. This money doesn't belong to Amazon, it either belongs to the buyers that paid Z, or Z itself.

Amazon hasn't said it has any concerns with the sales on Z's account.

Since I don't think it's fair or reasonable for Amazon to keep Z's money in the circumstances here, and it doesn't appear to need to return it to any of the buyers of Z, I think the fair outcome here is Amazon releases the money to Z.

My final decision

My final decision is I uphold this complaint and Amazon should:

- release the money it holds in Z's account

- pay 8% per year simple interest on this money, from the date it blocked Z's account to the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Z to accept or reject my decision before 10 April 2023.

Chris Russ
Ombudsman