

The complaint

A company I'll call M complains that Amazon Payments UK Limited (APUK) blocked its account for an extended period of time, meaning M wasn't able to make sales via its Amazon selling account.

To put things right, M wants APUK to compensate it for the losses it incurred as a result of APUK's actions. M is represented by its director, Miss M.

What happened

On 6 February 2024, APUK blocked M's account while it carried out a review. As part of the review, APUK requested identification documents for Miss M. Miss M provided her passport and driving license, but the block remained in place. Miss M said that she had previously submitted the same documents to APUK, that it had accepted them in the past, and that she had to re-submit them several times before APUK finally accepted them.

APUK released the block on 22 March 2024, meaning M could trade on Amazon again. However, Miss M wanted to recover the losses she had incurred as a result of the block, so she complained to APUK. However, APUK didn't uphold the complaint, so Miss M brought the complaint to our service. It's worth noting that M's Amazon selling account is operated by a separate legal entity to APUK and I am not considering that entity's actions as part of the complaint about APUK.

Our Investigator upheld M's complaint. She said Miss M had sent all of the information APUK needed by 24 February 2024, she wasn't satisfied there was a good reason for the delay beyond that date, and she noted part of the delay was caused by a system fault at APUK's end. She also noted that APUK hadn't provided a valid explanation as to why it accepted Miss M's ID, having previously rejected it.

Our Investigator felt that APUK should pay £6,523.14 to represent M's loss of sales over the 26 days that passed after APUK should have completed its review, having calculated M's average daily sales at £250.89 over the preceding 12 months. She also felt APUK should pay simple interest on that sum at the rate of 8% from 24 February 2024, until the date of payment, as well as £250 in recognition of the inconvenience M suffered.

APUK accepted the outcome and confirmed it had paid the above sums on 19 December 2024. Miss M sought further losses though and claimed £1,673.82 in storage fees charged by Amazon while M's selling account was unavailable as well as £133.94 in advertising fees charged during the block, and a further £5,000+ in respect of damage to reputation. Our Investigator explained why she wouldn't be awarding the compensation claimed and Miss M replied, increasing her claim to £45,108.44, most of which was claimed in respect of a decline in annual turnover.

Because no agreement could be reached, the matter came to me to issue 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.

Miss M's claim for storage fees was born out of charges levied by Amazon for retaining product on behalf of Miss M, while she was unable to sell. APUK originally sought to argue that Miss M should speak to Amazon about those fees, given they were levied by Amazon and not APUK. However, APUK later agreed after I explained that this was not a matter of whether Amazon had charged the fees fairly, it was simply a matter of assessing what losses M had incurred as a result of APUK's actions.

Miss M had claimed £1,673.82 in respect of storage fees, but APUK agreed to pay £1,046.70, being the storage fees that M incurred during the block. That figure tallies with the spreadsheet Miss M sent our service to demonstrate her loss in this regard and I note that part of those fees were charged during the initial phase of the block (i.e. before our service said APUK ought to have released the block).

I'm satisfied APUK's payment in this regard is reasonable compensation and I won't ask it to pay any storage fees incurred after the block was lifted, given M was then able to resume selling. Miss M had also claimed £133.94 in respect of advertising fees charged while she was unable to access her Amazon selling account. But, as our Investigator rightly pointed out, M has been compensated for the loss of sales it would have made during the delay. So M is back in the position it would have been in, but for APUK's error, and if I were to award compensation for the advertising fees, that would be putting M in a better position, which isn't appropriate.

With regard to Miss M's other claims, I'm afraid I won't ask APUK to make further payments. Miss M has provided projections of what she says M's turnover would have been, but for the block, and actual turnover figures showing the true position now, and she claims APUK should compensate her for the difference. However, based on the evidence I've seen, I'm not persuaded that this loss was caused by APUK.

The figures provided are simply projections, so do not demonstrate what the position would have been with any degree of certainty, and Miss M also hasn't demonstrated that the decrease in turnover was caused by APUK's actions. The claimed decrease may well have been caused by external factors independent of any of this, or by the initial block, which APUK was entitled to apply. And without persuasive evidence to support Miss M's claim, in addition to evidence of what steps Miss M took to mitigate M's losses, I can't reasonably ask APUK to pay the compensation claimed.

The same is true of Miss M's other claims in that I haven't seen sufficient evidence to satisfy me that the losses claimed were caused by APUK's actions. Miss M hasn't properly evidenced the damage to reputation she claims and the evidence she submitted to show M had had to discontinue two of its best-selling items didn't demonstrate that they were discontinued, or that any such discontinuance was caused by APUK's error. And I note that Miss M's initial estimate of M's losses was closer to £10,000, only to increase to over £45,000 after our Investigator issued her findings. And I haven't seen evidence to justify that estimate or an explanation of why it increased so suddenly.

There are two other items I'll address directly: stress and an increased storage fee charged by Amazon. Because APUK's customer here is M, a limited company, and not Miss M, I can't award compensation for any distress Miss M experienced personally. A limited company cannot experience distress and I can only award compensation for any

inconvenience M experienced here. In that regard, I agree with the Investigator's findings that £250 is reasonable compensation for the inconvenience M suffered as result of having its director's attention diverted away from her usual duties, in order to chase APUK and re-submit the same information several times.

Finally, there is the matter of the storage fees now being charged by Amazon. While I accept M incurred the storage fees referred to above because of APUK's error, those fees should be reimbursed by APUK because they were a loss caused by its unfair actions. Miss M has said that Amazon has now reduced her storage capacity, and increased the fees charged for storage. However, I haven't seen anything to demonstrate *those* actions were as a result of APUK's delay back in early 2024, and so I can't reasonably say the losses claimed here were caused by APUK. If Miss M thinks Amazon has acted unfairly, she should speak to Amazon directly, but I won't ask APUK to pay compensation here, given I'm not satisfied the loss claimed was caused by APUK's error.

My final decision

My understanding is that Amazon has already paid M:

1. £6,523.14 in respect of loss of sales from 24 February 2024 to 22 March 2024;
2. 8% simple interest on the above sum from 24 February 2024 to 19 December 2024, being the date APUK paid the above;
3. £250 in recognition of the inconvenience caused to M; and
4. £1,046.70 in respect of storage fees incurred while M's APUK account was blocked.

If Amazon Payments UK Limited hasn't paid those amounts, it must pay them now. But on the basis that it has, I won't ask it to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 28 October 2025.

Alex Brooke-Smith
Ombudsman