

The complaint

A company, which I'll refer to as N, complains that it was charged wrongly for VAT services as a result of failings by Amazon Payments UK Limited ("APUK").

What happened

N is a seller on Amazon. It signed up for a related subscription facility in respect of VAT. N says that when it signed up for the VAT service, it was told it would be charged a monthly fee, but the fees actually charged to its account have been erratic and in excess of what was agreed, and this has caused problems for the company's business.

Having looked at the evidence, our investigator concluded that APUK hadn't made any errors and he didn't recommend that it should be required to take any further action. He gave the following reasons, in summary:

- When holding a seller account with Amazon, the seller enters into a Business Solutions Agreement with Amazon Services Europe SARL (ASE).
- The seller also enters into a Selling on Amazon User Agreement with APUK. This agreement allows the seller to receive payments for online purchases made through the Selling on Amazon Service and to transfer funds received for online purchases to a bank account.
- Through Amazon Seller Central (the website used to manage its Amazon account), N was able to enter into an agreement with a third-party tax agent, a provider of VAT services. The VAT services agreement sets out that by agreeing to its terms, N authorised ASE and their affiliates, including APUK, to charge fees where applicable to any of the payment accounts held with them in line with the terms of the Business Solutions Agreement.
- The third-party tax agent has explained to us that it sends a request for payment to Amazon, which pays the agent and then bills the seller.
- Given these arrangements, the investigator concluded that the acts and omissions that N is complaining about did not relate to services provided by APUK. Rather, they related to services provided by ASE through a third-party tax agent. There is no evidence to show that APUK has done anything other than carry out the payment instructions it received from ASE.

The investigator further noted that the errors in the charges for VAT services have now been corrected through refunds paid by ASE.

N didn't agree with the investigator's conclusions. On behalf of N, its director made the following points, in summary:

- Charges were itemised by APUK as 'other' and not correctly attributed to Amazon VAT Services. This is incorrect invoicing. APUK would not supply invoices on

request.

- The erroneous charges made are indeed attributable to APUK as the administrators of the charges. Preventing N from claiming its sales proceeds by pulling charges from its seller balance was a violation of FCA compliance by APUK.
- After Amazon admitted the technical issue that led to the erroneous charging, it took 15 months of battling communications to get the refunds.
- After Amazon's admission, N complained to a senior representative of APUK but received no response.

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.

I'm sorry to disappoint N's director, but I've reached the same conclusions as the investigator and for largely the same reasons.

APUK's role as a payment services provider is to pass payments to the seller, following ASE's instruction. I've seen no evidence that APUK failed to do that.

N's complaint is that the fees for the VAT service were erratically and wrongly charged. I agree with the investigator that the evidence shows that those charging problems arose in the services provided by ASE through a third-party tax agent. I'm satisfied that APUK didn't cause the charging problems. APUK merely passed on the payments to N as required by ASE.

APUK's activity as a payment services provider is within the jurisdiction of the Financial Ombudsman Service. I have therefore considered whether APUK made any errors in making payments to N on the instruction of ASE. For the reasons given above, I find that APUK didn't act in error.

I don't accept that APUK was responsible for detailed invoicing for the VAT service which was provided by ASE through a third party. Nor do I accept that APUK's actions as a payment service provider made it responsible for errors in charges made by the VAT service or by ASE. APUK's role was to pass on payments as instructed by ASE, and that's what it did.

N is unhappy with APUK's handling of its complaint, but I'm afraid this isn't a matter that I have any powers to consider. Complaint handling in itself isn't an activity within the scope of the Financial Ombudsman Service.

I realise that my decision will disappoint N's director, and I recognise his frustration about these events. My understanding is that N eventually received refunds through ASE for all the erroneous charges, but N complains that the difficulties and uncertainties it suffered during the period of incorrect charging have also caused it other losses. But as I find that APUK didn't cause the erroneous charges, it follows that APUK wasn't responsible for any other losses that may have resulted from those charges.

My final decision

My final decision is that I don't find that Amazon Payments UK Limited acted unfairly or unreasonably and I don't require it to take any further action to address this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 23 September 2025.

Colin Brown
Ombudsman