

## The complaint

A company, which I'll refer to as Z, complains that Amazon Payments UK Limited ("APUK") has wrongly restricted access to funds in its seller account.

## What happened

Z is a seller on Amazon. The company complains that substantial funds in its seller account have been withheld wrongly by APUK since March 2024.

Z says APUK blocked its seller account and failed to release its funds as it should have done within 60 days of when the account was blocked. Z says it has made several appeals to Amazon but this has failed to resolve matters.

Having looked at the evidence, our investigator concluded that APUK hadn't acted unfairly. She gave the following reasons, in summary:

- When holding a seller account with Amazon, the seller enters into an Amazon Services Europe Business Solutions Agreement with Amazon EU SARL (AEU).
- 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.
- Section 2.7 of the agreement with APUK states that under certain circumstances, APUK can restrict transactions to and from the seller's bank account, or limit access to the seller's account balance for a period that APUK deems necessary to protect itself.
- APUK has explained that all sellers must comply with AEU programme policies. Z was invited to an in-person interview early in 2024 to discuss the issue on its account, and to provide documents. AEU wasn't satisfied and the account was blocked in March 2024. Since then, despite appeals by Z and the submission of further documents, AEU hasn't changed its position.
- It's important to note that AEU, not APUK, has set out the requirements to determine whether Z has complied with AEU programme policies. In this complaint, the actions of AEU are outside the jurisdiction of the Financial Ombudsman Service.
- The investigator was satisfied that APUK's actions were in line with section 2.7 in the agreement, and were further to the information provided by AEU following AEU's review and in-person interview.

After Z's complaint was referred to the Financial Ombudsman Service, there was a further in-person interview, in April 2025, and Z submitted further documents. APUK says that to date, AEU hasn't changed its position. Z has recently submitted notarised versions of the documents to APUK.

Z didn't agree with the investigator's conclusions. The company's representative made the following points, in summary:

- It is APUK that actually withholds the seller's funds, upon the information provided by AEU. AEU is an authorised entity, but it cannot hold or control client money in the UK. Therefore, AEU cannot physically freeze or release seller funds. The only FCA-authorized entity capable of executing such actions in the UK is APUK. APUK cannot dismiss the ombudsman's jurisdiction simply by saying it is AEU's decision to freeze the funds.
- APUK can make independent decisions on verification, and APUK does not necessarily require AEU's involvement to verify compliance.
- APUK has outsourced certain decision-making functions to AEU. The Payment Services Regulations require the authorised payment institution to bear the compliance responsibility for the actions of its outsourced entity. The seller's complaint concerns APUK's payment service which gives FOS jurisdiction to review whether APUK acts fairly in this case, even though APUK may delegate the know-your-customer verification to AEU.
- The purpose of withholding funds is to ensure there are sufficient funds to cover customers' refund and chargeback requests and any fees incurred. The user agreement and the fund disbursement policy do not grant APUK the power to withhold sellers' funds indefinitely, and APUK should demonstrate the necessity to do so. There is no refund or chargeback risk associated with Z's seller accounts at this time. Most of the refund requests were processed more than a year ago.
- Z has submitted notarised documents that verify the seller's identity and bank account details. The ombudsman should review these documents and make a decision on their authenticity.
- APUK and AEU appear to be structuring their operations in a way that avoids FCA regulation.

### **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've read all the submissions that Z's representative has sent us and I've considered them carefully. I mean no disrespect in summarising the arguments and focusing here on the key points of the complaint.

I'm sorry to disappoint Z's directors and its representative, but I've reached the same conclusions as the investigator and for largely the same reasons.

It's common ground that APUK is carrying on a payment service, operating within our jurisdiction, and that's the basis on which we can consider this complaint. I've considered whether APUK's actions towards Z have been fair.

AEU isn't the respondent in this complaint, so I haven't considered whether its actions are fair. Nor am I able to do so.

APUK's provision of payment services is subject to the terms and conditions of the Selling on Amazon User Agreement. Under section 2.7 of that agreement, APUK has broad discretion to restrict transactions to or from the seller's account. In particular, when "(a) we are subject to financial risk (including, without limitation, for pending Chargebacks)" and "(d) any dispute exists involving your Account or transactions conducted in connection therewith." Moreover, section 2.7 also states "We may restrict access to your Account balance for the time that it takes for us to complete any pending investigation or resolve a pending dispute."

I agree with Z's representative that APUK can make independent decisions about its own account verification concerns. However, I'm satisfied that it can also reasonably consider information from AEU about account verification and other concerns, under section 2.7 of the User Agreement as quoted above.

AEU continues to have serious concerns regarding the legitimacy of Z's account operations, following the most recent in-person interview with Z's officers.

Given the unresolved matters between Z and AEU concerning compliance with its policies, I'm satisfied that APUK's withholding of funds is in line with the provisions of the Selling on Amazon User Agreement. APUK is entitled to withhold funds in the light of information received from AEU in respect of those provisions. I therefore find that APUK hasn't acted unfairly or unreasonably.

I don't agree with Z's representative that APUK is required to bear responsibility for AEU's decision-making, or for any other actions of AEU. My decision on this complaint is solely about the fairness of APUK's actions. I believe APUK has made its own decisions about its activity – carrying on a payment service – but it has reasonably taken into account information it received from AEU.

Z's representative says that APUK faces no risk that it would have to meet refunds or chargebacks for Z, as the window for such liabilities passed some time ago. But my decision isn't based on there being significant refund or chargeback risk associated with retail customer payments. APUK has said that the dispute between AEU and Z is about concerns over the legitimacy of Z's account operations.

The funds disbursement eligibility policy on Amazon's website explains what may happen when an account is deactivated under the terms of the Amazon Services Europe Business Agreement – in other words, under the terms of the seller's agreement with AEU. The disbursement eligibility policy goes much wider than matters relating to refunds and chargebacks, stating that withheld funds may be used "*to cover liability from your conduct and offset amounts that you owe, such as product returns or refunds, A-to-z claims from customers, inventory removal costs, outstanding fees, or monetary and non-monetary damages inflicted on Amazon.*" It goes on to say that funds may be withheld if "*we find that you have engaged in deceptive, fraudulent, harmful, or illegal activity, have abused our systems, or repeatedly violated our policies, or if we cannot confirm your identity.*"

The funds disbursement eligibility policy is, in my view, consistent with the terms in the Selling on Amazon User Agreement with APUK, notably with section 2.7. Where AEU says that a dispute still exists between the seller and AEU over such matters described above, APUK is entitled to withhold funds. In Z's case, the dispute with AEU is unresolved, and I don't think APUK has acted unfairly or unreasonably by withholding the funds

I realise that Z has submitted documents in support of its appeal to APUK, and has recently sent notarised versions of those documents. But this doesn't change my view, because there is still a dispute between Z and AEU about transactions on the account. It's not my role to

intervene in a dispute between Z and AEU in respect of the documents submitted or anything else.

Z's representative has expressed concerns about APUK's structure and its relationships with other Amazon companies, as regards FCA regulations. I can't comment on these matters. I say this because the Financial Ombudsman Service isn't a regulator and has no regulatory powers. Our role is to resolve individual disputes between financial service providers and their customers.

Z's representative has pointed to some previous cases investigated by this service. Here I should say that ombudsman decisions are not precedents and I'm not bound by them. In each case, a decision is made considering all the individual circumstances of the complaint. I'm required to form my own view on what I consider to be the fair and reasonable outcome of the complaint. That's what I've done here.

I find that APUK hasn't acted unfairly or unreasonably and I don't require it to take any further action to address this complaint.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Z to accept or reject my decision before 5 November 2025.

Colin Brown  
**Ombudsman**