

The complaint

A company, which I'll refer to as S, complains that Amazon Payments UK Limited ("APUK") has wrongly restricted its access to its funds and stock.

What happened

S is a seller on Amazon. The company complains that funds in its seller account have been withheld in error by APUK.

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 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.
- The Selling on Amazon User Agreement also sets out the circumstances in which APUK can restrict access to an account balance.
- APUK has explained that the funds have been withheld because AEU has determined that it is required to do so, in line with relevant government legislation. This is in connection with obligations regarding UK VAT on goods sold on online marketplaces. AEU isn't satisfied with the evidence S has supplied regarding its UK establishment. It's important to note that AEU, not APUK, has set out the requirements to determine whether S is UK-established. In this complaint, the actions of AEU are outside the jurisdiction of the Financial Ombudsman Service
- The investigator was satisfied that APUK has restricted access to S's funds in line with the relevant terms and conditions, given the information provided by AEU. APUK has confirmed that it is only S's VAT liability that it has withheld. Any other funds remain available to the company.
- APUK isn't the company that is withholding S's stock. APUK is merely a payment service provider.

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

- The investigator's conclusion that the complaint primarily concerns AEU is too narrow. Sellers don't contact multiple Amazons. The parts of the contractual framework work together, and small businesses shouldn't bear the burden of distinguishing between APUK and AEU.

- APUK is responsible for processing payments, safeguarding funds, and treating customers fairly. Those obligations can't be avoided by pointing solely at AEU.
- The problem arose from faulty document evaluation by Amazon, and its actions are disproportionate.

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 S's director, but I've reached the same conclusions as the investigator and for largely the same reasons.

We can look at the actions of APUK as a payment service provider. Its provision of those 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 a seller's account. In particular, when "(a) we are subject to financial risk" or "(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."

Given the unresolved matters between S and AEU concerning VAT on its transactions and AEU's uncertainty about S's establishment in the UK, 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.

S's director argues that the document evaluation was faulty, but this is in regard to an action by AEU, not by APUK, and is therefore outside the scope of our investigation.

S's director argues that sellers shouldn't bear the burden of distinguishing between APUK and AEU. But I can't ignore the fact that there are two Amazon companies involved here, one (APUK) providing payment services, and the other (AEU) providing seller services such as the website listing and fulfilment services. Each has an agreement with the seller. The complaint I'm determining here is about the actions of APUK regarding payment services, under its agreement with S. For the reasons given above, I don't think APUK has made an error.

S's director 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.

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 S to accept or reject my decision before 15 October 2025.

Colin Brown
Ombudsman