

The complaint

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

What happened

P was a seller on Amazon. P's director told us:

- The funds in P's seller account have been wrongly withheld for over a year.
- P's dispute is with APUK and has nothing to do with Amazon EU SARL ("AEU"). He received an invitation from amazon.co.uk – the UK entity – for an in-person interview to discuss this issue.
- P hasn't been given a specific reason for the withholding. At first it was told that there was an issue over VAT, but even after P paid VAT in full the funds were still withheld. P has now made VAT payments to both HMRC and to Amazon.
- He does not know what documents are required, or when Amazon's investigation will end. He has no way to fix the issue.
- The freeze on P's account has caused significant difficulties. He needs the funds to pay staff salaries and company taxes.

One of our investigators looked at this complaint but did not uphold it. He said:

- P had agreements with both AEU and APUK. In order to hold a selling account on Amazon, a seller enters into a Business Solutions Agreement with AEU as well as a Selling on Amazon User Agreement with APUK. The latter 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 sets out the circumstances in which APUK can restrict access to an account balance. Under section 2.7 of the Agreement, APUK has broad discretion to restrict transactions to or from a seller's account. In particular, when "(d) any dispute exists involving your Account or transactions conducted in connection therewith". Moreover, section 2.7 also says "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."
- APUK has explained that since January 2021, the UK VAT on eCommerce Legislation requires AEU to collect and remit VAT on all business to consumer (B2C) sales for sellers not established in the UK. And as part of its requirements, AEU has asked all of its sellers to provide relevant evidence to confirm that they meet certain criteria to demonstrate their UK establishment and confirm their VAT status. APUK has confirmed that if this evidence wasn't provided to AEU or if the evidence wasn't

sufficient enough, then AEU would conclude that the seller wasn't established in the UK and would therefore be required to pay VAT on their B2C sales, in line with the relevant legislation.

- It's important to note that it is AEU that has set out the requirements to determine whether P is UK established, and not APUK. He acknowledged the close relationship between APUK and AEU, but said that AEU's activities in respect of this complaint fall outside the jurisdiction of the Financial Ombudsman Service.
- Overall, he was satisfied that APUK had restricted P's funds in line with the relevant terms and conditions, given the information AEU provided to APUK about P's establishment.

P's director did not accept our investigator's conclusions, and asked for the matter to be referred to an ombudsman.

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.

Having done so, whilst I am sorry to further disappoint P's director there is very little I can add to what our investigator has already said.

Like our investigator, I am satisfied that P had agreements with both AEU and APUK. I have noted P's director's comment that this dispute has nothing to do with AEU, but I don't agree with him. The evidence I have received from APUK shows there is still an unresolved dispute between P and AEU, and APUK has withheld P's funds as a result of that dispute.

I can only consider whether APUK's actions were fair. APUK is a payment services provider and that's the basis on which the Financial Ombudsman Service can consider this complaint. AEU isn't the respondent in this complaint, so I haven't considered whether its actions are fair and reasonable.

I acknowledge that P's director has received correspondence from "amazon.co.uk", but that is a domain name and not a legal entity. The Selling on Amazon Service is provided by AEU, not APUK. I accept APUK's evidence that the "In person Interview" (IPI) invitation was from AEU, and invited P to meet with AEU's representatives to address AEU's concerns.

The Selling on Amazon User Agreement between P and APUK allows APUK to restrict access to P's funds in the circumstances described by our investigator. Given the unresolved matters between P and AEU, I'm satisfied that APUK's withholding of funds is in line with the provisions of the Selling on Amazon User Agreement. A dispute does exist between P and AEU involving P's account and transactions connected with it. APUK is entitled to withhold funds in the light of information received from AEU. I therefore find that APUK hasn't acted unfairly or unreasonably.

I realise that P is now in a difficult position, and that its director would like me to order APUK to release P's funds. But I can only consider the actions of APUK, and for the reasons given above I think those actions were fair. I cannot consider the actions taken by AEU.

My final decision

My final decision is that I do not uphold this complaint against Amazon Payments UK Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 15 May 2026.

Laura Colman
Ombudsman