

The complaint

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

What happened

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

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.

APUK said AEU hadn't received satisfactory evidence about B's supply chain. B believed the terms of the Selling on Amazon User Agreement didn't allow APUK to withhold the whole balance of funds.

B complained to APUK but was unhappy with the response, so it referred the matter to us.

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

- APUK explained that the funds have been withheld because AEU has determined that it was required to do so, in line with the terms of the Business Solutions Agreement.
- APUK have said that AEU required documentation, such as invoices verified by the suppliers, relating to the items sold by B but the company has failed to provide it. It's important to note that AEU, not APUK, has set out these requirements.
- While we can consider this complaint about APUK, as it is regulated by the Financial Conduct Authority for carrying on payment services, we can't investigate the actions of AEU because its activities are outside the jurisdiction of the Financial Ombudsman Service in this complaint.
- The investigator was satisfied that APUK has restricted access to B's funds in line with the terms and conditions, given the information AEU has provided to APUK about B not providing satisfactory documents to satisfy AEU's concerns.

B didn't agree with the investigator's conclusions. Its representative made the following points, in summary:

- APUK, as principal, 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 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's power to withhold sellers' funds indefinitely, and APUK should demonstrate the necessity to do so. There's no refund or chargeback risk associated with B's seller account at this time.
- AEU applied a charge to B's account in April 2025 as a result of the alleged policy violation. That marks the end of the investigation, and also the end of the seller's financial liability owed to Amazon or any other third party. Therefore, APUK's withholding the seller's balance beyond the above date is unreasonable and unfair because the reasons that trigger APUK's power to withhold funds no longer exist.
- B has recently made a new proposal to settle the dispute, seeking return of funds from the sale of authentic products, but Amazon refused it.

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 that, I've reached the same conclusions as the investigator and for largely the same reasons.

It's common ground that APUK is a payments services provider and that's the basis on which we can consider this complaint. I have considered whether its actions are fair. To do that, I've relied on the evidence about the events in this case and on the terms of the APUK agreement. AEU isn't the respondent in this complaint, so I haven't considered whether its actions are fair and reasonable.

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."*

Given the unresolved matters between B and AEU concerning the items sold by B, 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 B'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.

B's representative says that APUK faces no risk that it would have to meet refunds or chargebacks for B. 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 B is about concerns over the goods sold by B and compliance with its policies.

B's representative argues that because AEU applied a violation charge in April 2025, AEU's investigation of the matter should be regarded as having ended at that time. However, I note that AEU has told APUK that there is still a dispute with B. As I explained above, I can't investigate the fairness of AEU's actions in this complaint. But I'm satisfied that APUK has been told by AEU that the dispute with B is unresolved, and I think APUK is entitled to rely on that information.

I note that B has recently made a proposal to settle the dispute, which was not accepted. That doesn't change my decision. As I said above, I'm satisfied that APUK has been told by AEU that the dispute with B is unresolved.

B'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.

B'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.

My final decision

My final decision is that I don't find that Amazon Payments UK Limited has 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 B to accept or reject my decision before 16 February 2026.

Colin Brown
Ombudsman