

The complaint

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

What happened

S is a seller on Amazon. The company complains that substantial funds in its seller account have been withheld wrongly by APUK since July 2021. S says it has made several appeals to Amazon but this has failed to resolve matters.

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.

S complained to APUK but was unhappy with the response, so it referred the matter to us. S said APUK blocked its seller account and failed to release its funds as required within 60 days.

APUK said the funds were withheld because AEU had determined that S had engaged in behaviour in violation of the AEU agreement and the issue was still unresolved.

After S's complaint was referred to us, the company's funds relating to the UK Amazon store were released, but not the funds from other European stores.

S's representative made the following arguments, in summary:

- APUK can make independent decisions on verification, and APUK does not necessarily require AEU's involvement to verify compliance.
- APUK and AEU have developed a strategy in bad faith that helps APUK effectively to escape from FCA's regulation and to dismiss the Financial Ombudsman Service's jurisdiction.
- AEU is an authorised entity, but it can't hold or control client money in the UK. Therefore, AEU can't physically freeze or release seller funds. The only FCA-authorised entity capable of executing such actions in the UK is APUK.
- 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.

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

- The Selling on Amazon User Agreement with APUK sets out the circumstances in which APUK can restrict access to an account balance. Section 2.7 of the agreement 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 the funds have been withheld because AEU has determined that it is required to do so, in line with its own terms and conditions.
- S was invited on several occasions to participate in an in-person verification interview (IPI) with an AEU representative to address the issues related to the account. But S didn't attend the scheduled meetings. S's account was suspended in July 2021 because of its failure to attend an IPI.
- It's important to note that AEU, not APUK, has set out the requirements to determine whether S has complied with AEU programme policies. In this complaint, the actions of AEU are outside the jurisdiction of the Financial Ombudsman Service. This includes its requirements for S to take part in an IPI.
- The European store funds are administered by Amazon Payments Europe ("APE"), over which APUK has no control. In this complaint, the actions of APE are outside the jurisdiction of the Financial Ombudsman Service.
- There's no doubt that APUK can make independent decisions about its own account verification queries. But the investigator was satisfied that it can reasonably consider information about verification events in connection with AEU and other affiliates.
- The investigator declined to comment on the representative's points about Amazon's structure and wider issues of regulatory compliance. The investigator said the Financial Ombudsman Service isn't a regulator and has no regulatory powers – it's an alternative dispute resolution service.
- It's common ground that APUK is a payments services provider and that's the basis on which we can consider this complaint. The investigator considered whether its actions were fair, and to do that, he 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 the investigator didn't consider whether its actions were fair and reasonable.
- The investigator didn't agree that APUK has responsibility for decisions made by AEU or any other body. He was satisfied that APUK's receipt of information from AEU was sufficient for APUK to act as it did, given the provisions of the user agreement

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

- APUK has failed to demonstrate that the seller bears any liability or shown any reason for withholding funds to offset any outstanding amount the seller owes under its own funds disbursement policy.
- AEU applied a charge to S's account in November 2023 as a result of the alleged policy violation and the seller didn't challenge the decision. 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 GBP balance beyond the above date is unreasonable and unfair because the reason that triggers APUK's power to withhold funds no longer exists.

- Whether or not the seller attends an IPI is not the key factor in evaluating whether APUK has acted fairly. The key thing here is that regardless of the seller's cooperation, AEU completed its investigation and applied a penalty, which undermines and ends APUK's power to continue withholding the seller's funds. APUK therefore didn't act fairly beyond November 2023.
- APUK's release of the seller's GBP funds in December 2024 further confirms that there is actually nothing preventing APUK from releasing the funds, and it should have released them earlier. Furthermore, APUK should offer interest compensation from November 2023 to December 2024.

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 S'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 S's directors and its representative, but I've reached the same conclusions as the investigator and for largely the same reasons. I have little to add to the investigator's arguments summarised above.

Under section 2.7 of the Selling on Amazon User 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.*"

AEU told APUK that the seller had been engaged in behaviour in violation of its agreement with AEU, and had been invited to an IPI on multiple occasions in order to resolve the issue. Given the unresolved matters between S and AEU over 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.

Neither AEU nor APE are respondents to this complaint, so I haven't considered whether their actions are fair. Nor am I able to do so.

I don't agree with S'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.

S's representative has said that APUK has faced no risk that it would have to meet refunds or chargebacks for S, 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 there's an ongoing dispute between AEU and S and that an IPI is required before the matter can be resolved.

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 Solutions 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 S's case, the dispute with AEU is unresolved, and I don't think APUK has acted unfairly or unreasonably by withholding the funds.

S's representative argues that because AEU applied a violation charge in November 2023, 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 S, because S hasn't yet attended an IPI as requested. As I explained above, I can't investigate the fairness of AEU's actions in this complaint. But I am satisfied that APUK has been told by AEU that the dispute with S is unresolved, and I think APUK is entitled to rely on that information, so I can't reasonably conclude that APUK should have released the funds in November 2023.

I note that APUK released S's UK sales funds in December 2024. However, there's no evidence that AEU asked APUK to release the funds at the time of the violation charge in 2023, or that APUK at any time since then has withheld funds contrary to any instruction from AEU. For these reasons, I'm satisfied that APUK hasn't unfairly delayed the release of the UK funds for any period and I therefore don't require it to pay any interest on the funds released in December 2024. Also, I don't accept that the release of the UK funds means that there's no dispute with AEU – I'm satisfied that AEU has told APUK that there is an ongoing dispute.

S'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 S to accept or reject my decision before 16 December 2025.

Colin Brown
Ombudsman