

The complaint

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

What happened

N is a seller on Amazon. The company complains that funds in its seller account were withheld wrongly by APUK.

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 to a bank account.

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

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

After N's complaint was referred to us, the company's funds were released to N.

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

- APUK has explained that AEU required information from N to provide evidence to establish the relationship between parties on the account. It asked for information to be provided in in-person interviews via video calls. It was during this process that AEU made the decision to restrict the account and withhold funds.
- It's important to note that AEU, not APUK, set out the requirements to determine what information it required from N. While we can consider this complaint about APUK, as it is regulated by the Financial Conduct Authority for carrying on payment services, we cannot investigate the actions of AEU because its activities fall outside the jurisdiction of the Financial Ombudsman Service in this complaint. So, this prevents us from considering any complaint about the actions of AEU, including its requirements for account verification.
- The investigator didn't find that APUK had acted unfairly in withholding the funds in N's account. He was satisfied that APUK had restricted N's access to funds in line with the relevant terms and conditions, given the information AEU provided.
- N said that a policy violation fee of over £2,800 had been deducted from N's funds. The investigator said this appears to have been a decision made solely by AEU and there was no evidence that it was a decision made by APUK.

- N has argued that APUK has outsourced its decision making to AEU and is therefore responsible for AEU's decisions. The investigator didn't agree that APUK has responsibility for decisions made by AEU or any other body.

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

- APUK's release of the seller's funds in June 2025, after the Financial Ombudsman Service started its investigation, demonstrates that APUK froze the seller's funds in error. At the time of the release, N had made no new appeal to Amazon since March 2025.
- Section 2.7 in the APUK user agreement grants APUK's power to freeze the seller's funds when there are justifiable reasons, but this clause cannot be treated as absolute. It is natural that APUK and AEU can sometimes make mistakes, so they should take responsibility for mistakenly depriving the seller of its funds. APUK should return the policy violation fee and pay interest for the period when N was denied access to its funds.

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

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. Given the unresolved matters between N and AEU over compliance with its policies, I'm satisfied that APUK's withholding of funds was 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 agree with the investigator that APUK isn't 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.

N's funds were released in June 2025, but there's no evidence that AEU asked APUK to release the funds earlier than that. For these reasons, I'm satisfied that APUK hasn't unfairly delayed the release of the funds for any period and I therefore don't require it to pay any interest on the funds released.

I'm also satisfied that deducting the policy violation fee was the result of a decision by AEU and not APUK.

I understand that the dispute between AEU and N regarding the identity of the account is still unresolved. APUK has asked that N should engage directly with AEU to address the issue.

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

For all the above reasons, I don't think that APUK made an error or acted unfairly in withholding N's funds.

N'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.

N'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 N to accept or reject my decision before 20 January 2026.

Colin Brown
Ombudsman