

The complaint

A company I'll refer to as M complains Amazon Payments UK Limited (APUK) unreasonably blocked their account and withheld their funds. They would like to be compensated for the lost business.

M is represented by Mrs A, a director.

What happened

M is a business that sells on Amazon, and has an account with APUK to receive proceeds from the transactions.

In October 2025 M's Amazon seller account was restricted. APUK also restricted M's use of their account, while it still held a balance of around £87,000. They asked Mrs A to provide information, including a certified letter from M's bank. But M's bank confirmed that this wasn't something they do. She gave the information to APUK. But the account remained restricted.

Unhappy with this Mrs A complained, but APUK didn't think they'd done anything wrong. Still dissatisfied Mrs A referred M's complaint to our service. M's selling account was unrestricted in December 2025, but the APUK account remained restricted.

One of our investigators thought the complaint should succeed. She felt Mrs A had given APUK the necessary information, and believed the review was completed by 28 October 2025. She couldn't see a justification for holding M's funds beyond this point, so she thought APUK should pay 8% simple interest on this amount from then until the funds were released.

Amazon didn't respond to our investigator at first. Mrs A initially accepted the investigator's opinion, but later asked for a personal loan she'd taken to be considered, and for compensation for the disruption to M's business.

M's APUK account was reactivated on 20 February 2026. But Mrs A still thought compensation should be paid. As no resolution has been reached the complaint has now been passed to me to decide.

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.

Firstly, I'm glad APUK have now reactivated the account and made the funds available to M. For clarity it's not unusual or unreasonable for account providers to occasionally need further information from their customers – and they may feel it necessary to restrict access to an account while they wait for this information. There is provision for this within the terms on M's APUK account. So, I'm minded this isn't unfair.

But any review should be conducted within a reasonable timescale, to reduce any potential disruption. I agree with our investigator the necessary information was supplied by M to

APUK by 28 October 2025. I can see APUK requested further information in December, but I consider this to be relatively minor as it related to some personal details for Mrs A.

I don't see it was reasonable for the account to remain restricted, and I've seen nothing that persuades me the review APUK were conducting was complex or required significant time.

I agree M has unreasonably denied access to their funds, and it's right Amazon rectify this. I see Amazon paying 8% simple interest per annum on the funds held is appropriate. As M didn't have access to these funds it will have impacted a whole host of financial decisions they had to make. Our service's remit is to be a quick and informal alternative to the court system. To go back and try to reconstitute every financial decision over the several months M was without these funds would be significantly arduous, and beyond what our service is here to do. Instead, the 8% is intended to reflect the loss of use of those funds.

Mrs A has also asked me to consider the interest on a loan she took out – although I note this was a personal loan in her name, rather than taken in the name of M. So, I don't see this could be considered a direct loss to M. Likewise, I can't consider the loss of sales from any restrictions to the merchant account – the decision to block the merchant account is taken by a different Amazon entity. I can't reasonably direct APUK to compensate for this. I also note from what Mrs A has sent us, M still had access to a bank account and other forms of credit.

So, here while I recognise APUK have clearly taken too long to release M's funds and this will have caused M significant disruption, I'm satisfied the 8% simple interest per annum is fair redress in the circumstances.

My final decision

To resolve this complaint Amazon Payments UK Limited must pay 8% simple interest per annum on the balances held, from 28 October 2025 to when they were made available to M.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 20 May 2026.

Thom Bennett
Ombudsman