Chinese companies are suing Amazon after getting banned for paid reviews

Several Chinese companies have filed a class-action complaint against Amazon for banning them from the Amazon marketplace over their use of paid reviews, a new complaint filed on September 13th claims. In the last year, Amazon has cracked down on companies soliciting paid reviews on its platform, claiming to have permanently banned 600 Chinese brands across 3,000 seller accounts.

The companies listed in the complaint, doing business as Sopownic, Slaouwo, Deyixun, Cstech, Recoo Direct, Angelbliss, and Tudi, are seeking "recovery of funds that are being illegally and improperly withheld by Amazon" and are filing the class action to "stop any further misappropriation and misuse of funds that are legally and rightfully due to thousands of Amazon sellers and merchants," the complaint reads.

Amazon has a strict policy forbidding "incentivized reviews," which it instituted in 2016. The companies don't deny that they violated Amazon's policy. Their problem is that Amazon is withholding "several hundred dollars to hundreds of thousands of dollars" of their claimed earnings. Amazon's Services Business Solutions Agreement, which covers Fulfilled by Amazon (FBA) businesses like the ones these Chinese companies operated, is pretty clear that Amazon reserves "sole discretion" in deciding whether or not to permanently withhold funds if a company violates its policies.

The companies' counterargument? Amazon is in charge of

distribution in an FBA arrangement, so it should've been aware the companies were offering gift cards to customers that left positive reviews. *The Verge* has asked Amazon for comment and will update if we hear more.

Actually trying to enforce its policies is a good thing for Amazon to do. Just because it was more relaxed before doesn't mean it loses the right to be strict now. It's easy to sympathize with these companies, but their experience is also the reality of building a business on a platform you don't own — at any point the rug can be pulled out from under you.

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