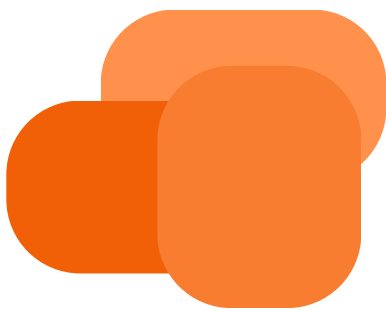




EU AMAZON

Compliance Report 2026



- **100+ seller conversations analyzed**
- **Why ~70% of EU brands are at risk**
- **The 6 hidden reasons listings get blocked**

The Compliance Blind Spot

Why EU compliance is the most prevalent — and least visible — operational risk for Amazon brands in Europe

~70%

of active Amazon brands in our European portfolio carry an open compliance issue at any given time — more than any other operational pain category measured.

A cross-portfolio analysis of 100+ structured client conversations across 90+ Amazon and TikTok Shop brands selling in the EU and UK.

Published by INNELS Research · Copenhagen · 2026

innels.com · check.innells.com

At a glance

~70%

of portfolio brands
carry an open
compliance issue at
any time

42%

of compliance cases
are suppressions on
apparently clean
listings

2–3

concurrent pain
categories in the
typical brand
portfolio

27

distinct national
compliance regimes
across the EU

EU compliance is the most prevalent operational issue affecting Amazon brands in Europe — **categorically more frequent** than PPC efficiency, inventory coordination, or buy-box loss. Its defining feature is structural invisibility: most brands discover compliance gaps only at the point of enforcement, when a listing is suppressed.

“The compliance dashboard says clear, and the listing is still down. Last Christmas was the worst — the product was good, and suddenly it was not. Probably 10 to 20% of the catalog at any point will be blocked.”

— Enterprise client, multi-market EU seller (paraphrased from client calls)

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Executive summary

This report presents the findings of an internal analysis by INNELS, a Copenhagen-based marketplace growth agency, into the operational pain patterns affecting Amazon brands selling across European markets. It draws on a structured review of more than 100 client conversations — weekly account-management calls, sales discovery sessions, and onboarding interviews — across a portfolio of 90+ active brands in the EU, UK, and US.

The central finding is that **EU compliance is the most prevalent operational issue affecting Amazon brands selling into Europe**, present in approximately **70% of active client portfolios at any given time**. This exceeds the prevalence of every other operational pain category measured, including PPC efficiency, inventory coordination, and buy-box loss.

A second, related finding is that compliance failures are **structurally invisible**: in the majority of cases, brands become aware of an issue only after Amazon has suppressed a listing — often during peak commercial periods, when the cost of disruption is highest.

The report concludes with a discussion of the structural drivers behind this pattern and an introduction to the EU Compliance Audit, a free diagnostic tool released by INNELS in response to the findings.

01

Methodology

1.1 Scope of analysis

The dataset comprises more than 100 client-facing conversations recorded over the past 24 months, drawn from three categories: weekly account-management calls (the largest source), inbound sales discovery calls, and structured onboarding interviews conducted at the start of new client engagements.

All conversations were transcribed and indexed. The analysis covered both the explicit topics raised by clients and the implicit operational patterns surfaced by their language — the difference between what brands say they need and what actually consumes their team’s time and attention.

1.2 Method

The approach prioritized **pattern frequency** over single-case severity. A pain category was counted as present for a brand when it appeared as an active operational topic in at least two separate conversations within a six-month window. Severity was not weighted: an unresolved compliance suppression and a routine PPC bid adjustment counted equally toward category presence.

This conservative approach was chosen specifically to avoid overstating compliance prevalence — the pattern that ultimately emerged as most dominant.

1.3 What we were looking for

- **Where do brands actually struggle day-to-day**, regardless of what they list as headline challenges?

- **What patterns repeat across categories, revenue tiers, and geographies,** suggesting structural rather than brand-specific issues?
- **Which of these patterns are visible to brands themselves,** and which are systematically discovered too late to act on cost-effectively?

1.4 Limitations and scope of inference

This report draws on a single agency's active client portfolio. The dataset is therefore subject to a structural selection effect: it reflects the brands that engaged INNELS and the operational topics they raised, rather than a randomized cross-section of the European Amazon market. Prevalence figures should be read as patterns observed within this portfolio, not as market-wide incidence rates.

To mitigate this, the report triangulates its internal findings against independent regulatory and market sources — the EU statutory framework (GPSR, the Cosmetic Products Regulation, and national EPR schemes) and third-party data on the scale of Amazon's European seller base. Where a finding rests only on INNELS's portfolio, it is labelled as such; where it is corroborated externally, that source is cited. Section 2.6 places the portfolio within the broader market; the regulatory drivers in Section 4 are referenced to the sources listed at the end of the report.

02

Sample composition

The 90+ active brands in the dataset span a range of categories, revenue tiers, product types, and decision-maker profiles.

2.1 By industry

Category	Share of portfolio
Food and supplements	31%
Beauty and personal care	23%
Home, textiles, and hardware	23%
Sports and athletic equipment	15%
Kitchen and lifestyle	8%

2.2 By Amazon monthly revenue

Revenue band	Share of portfolio
Under €10,000 / month	46%
€10,000 – €50,000 / month	31%
€50,000+ / month	15%
TikTok Shop only (no Amazon presence)	8%

2.3 By product type

Type	Share
Established brands	69%
Private label	23%

Type	Share
Resellers	15%

Categories are not mutually exclusive; some brands operate hybrid models. Source: INNELS portfolio analysis, N = 90+ brands, 2024–2026.

2.4 By geography of brand headquarters

Region	Share
Multi-country EU operations	38%
United Kingdom	31%
France	15%
United States (cross-border into EU)	8%
Baltics and Eastern Europe	8%

2.5 By decision-maker present on calls

Role	Share of relationships
Founder / CEO	54%
E-commerce or Amazon manager	31%
Marketing director	8%
Cross-functional team (Legal, Operations, Sales)	7%

A noteworthy observation: **in more than half of all client relationships, the primary contact is the founder or CEO** — including in mid-market brands generating €500,000+ in monthly revenue. European Amazon channels remain founder-owned considerably later into the growth curve than is typical in other digital channels.

2.6 The portfolio in market context

INNELS's portfolio of 90+ brands sits within a far larger European seller population. Amazon operates eight marketplaces in Europe (Germany, the UK, France, Italy, Spain, the Netherlands, Sweden, and Poland), and the European region accounts for roughly a quarter of all Amazon third-party sellers worldwide.¹ Germany alone hosts an estimated 240,000–280,000 active sellers and the United Kingdom 280,000–300,000, and third-party sellers account for roughly 61% of all paid units on Amazon.²

Against this backdrop, a single agency's book of business is not a representative survey. What it offers is depth: 100+ structured conversations with brands actively trading across multiple EU markets, observed over 24 months. The value of the portfolio is in the texture and recurrence of the operational patterns it surfaces — patterns whose structural drivers, as Section 4 shows, are rooted in the EU's fragmented regulatory architecture rather than in any property of INNELS's client mix.

Market figures: Marketplace Pulse; Statista (2024–2025). See References [1]–[2]. Portfolio figures: INNELS internal analysis.

03

Findings

3.1 Brands cluster by operational pain, not by industry category

Across the dataset, two brands in the same category at similar revenue scales had substantively different operational profiles in the majority of cases. The variable that most consistently predicted shared pain patterns was not category — it was **operational maturity at the time of engagement**.

A €5,000/month down-textile brand and a €45,000/month sugar-substitute brand can share the same dominant pain (compliance suppressions across multiple EU markets), while two beauty brands at identical revenue can be in entirely different situations: one constrained by listing-suppression cycles, the other by storefront-conversion problems.

The implication is that conventional vertical segmentation is a weak predictor of which agency capabilities a brand will actually need. A more useful classification is by **stage of operational complexity**: brands not yet suppressed; brands suppressed once and recovered; and brands in active suppression-and-appeal cycles. These three groups need different services, cadence, and tone — regardless of what they sell.

3.2 Most client engagements begin in a rupture moment

Approximately **73% of new client conversations** included an explicit reference to a recent operational disruption: a previous agency relationship ending, a lost retail partnership, a funded round elevating expectations, or a listing suppression that triggered the search for outside support.

This indicates that brands typically engage external Amazon partners reactively rather than proactively — meaning a large share of engagements begin under constrained time and emotional pressure, where cost-of-delay dominates cost-of-engagement.

Rupture moments cluster around three trigger types: a prior-agency rupture (~46% of new conversations), a channel rupture (~17%), and a compliance rupture (~10%). The remaining ~27% begin without a named rupture but typically reveal one within the first 20 minutes.

3.3 Speed of response is the most frequently named priority

In **38% of new sales conversations**, brands explicitly named “speed” or “response time” as a primary differentiator — typically in direct contrast to a previous agency experience characterized as slow or unresponsive.

The expectation is not 24/7 availability — it is named-contact accessibility within a same-day window, closely linked to a universal request for a single point of contact rather than a team-based service model.

3.4 Founder-led decision-making persists later than expected

In **54% of all client relationships**, the primary contact is the founder or CEO, including in mid-market brands generating €500,000+ in monthly Amazon revenue. This contradicts the common expectation that founder involvement decreases as brands scale.

- **The compliance-and-risk dimension** of Amazon makes the channel a higher-stakes area than many founders are comfortable delegating.
- **Amazon’s account-level enforcement model** — where a single suppression can affect the entire account — concentrates risk in a way founders feel responsible for personally.

- **The maturity of the European Amazon talent pool**, particularly outside the UK and Germany, limits the supply of senior, EU-compliance-fluent in-house managers brands could otherwise hire.

3.5 Compliance is the most prevalent operational pain in the dataset

Ranked by cross-portfolio frequency, compliance — any active issue involving listing suppressions, regulatory documentation, barcode and traceability requirements, packaging registrations, language localization, or marketplace-specific authorization — emerged as the dominant pattern.

Pain category	Prevalence	
Compliance, suppressions, documentation	~70%	
PPC and ad-spend efficiency	~62%	
Inventory and stock coordination	~54%	
Buy-box loss and recovery	~38%	
Subscribe & Save and retention setup	~31%	

Source: INNELS portfolio analysis (N = 90+ brands; 100+ conversations, 2024–2026). Categories not mutually exclusive. Prevalence reflects INNELS’s client base, not a representative sample of the Amazon EU market (see §1.4, §2.6).

The gap between the leading and second-ranked category is the largest in the dataset, suggesting compliance is not merely common — it is *categorically* more common than the next-most-prevalent issue. This would be unremarkable if compliance were broadly visible to brands. It is not — a structural property examined in Section 4.

3.6 Anatomy of the compliance pattern

Within the broad compliance category, six sub-types account for nearly all observed cases. Their relative frequency provides a more granular picture of where European Amazon brands actually fail.

Compliance sub-type	Share of cases
Listing suppressions on apparently compliant listings	42%
Documentation and certification mismatches	28%
Country-specific tax and registration issues	15%
Image, content, and packaging compliance	8%
Brand registry and authorization disputes	5%
Cross-marketplace propagation	~2%

Source: INNELS portfolio analysis, 2024–2026. Shares are estimates based on coded conversation topics.

The leading sub-type’s defining feature is *opacity*: the listing meets every visible criterion in the seller dashboard, yet is suppressed without a clear human-readable reason. Documentation mismatches included an FMCG brand with ten-plus listings locked over non-scannable barcodes, and a food-supplement brand approved nationally for EU distribution but rejected by Amazon Ireland through a separate marketplace-level review.

3.7 PPC pain is shaped by compliance, not vice versa

The second-most-prevalent category — PPC and ad-spend efficiency — appeared in roughly 62% of portfolios. The dataset reveals a less obvious pattern: **PPC efficiency outcomes are downstream of compliance status more often than they are independently variable.**

A suppressed listing cannot generate PPC sales. A re-activated listing carries degraded organic ranking requiring elevated PPC support. In one observed case, a duvet brand reported a 70% decline in unit sales during a season when impressions and conversion initially appeared normal — only to trace the gap to suppressed listings and search-volume declines on key category terms.

The implication: a brand that engages an agency to “fix PPC” may, in a substantial share of cases, actually require a compliance audit as the precondition for PPC work to produce results.

3.8 Inventory pain concentrates at peak season and is increasingly capacity-bound

Inventory and stock-coordination issues appeared in approximately 54% of portfolios. The first pattern is peak-season stock-out exposure: brands running out on top SKUs before Black Friday or year-end, typically because Amazon storage limits constrained advance shipments. One sports-nutrition brand at €5.5M annually faced simultaneous capacity constraints in the US, Ireland (FBA blocked pending VAT), and Australia — all in the same pre-peak window.

The second is storage-limit volatility itself — a structural constraint distinct from forecasting. Even brands with strong forecasting cannot move inventory into Amazon’s network at preferred volumes. Inventory pain is increasingly less about how much to ship and more about whether Amazon will accept what you ship when you need to ship it.

3.9 Subscribe & Save is the most under-utilized retention mechanism

Against expectation, **Subscribe & Save and retention-setup work appeared in only 31% of conversations** — the lowest of any major category — despite its observable revenue impact when properly configured.

In one case, activating a properly structured Subscribe & Save program on a consumable supplement brand produced a near-400% increase in subscription revenue within a single month, with a 40% rise in subscriber count. Subscriber lifetime value was roughly twice that of one-time buyers. For consumable or replacement-cycle products, properly configured Subscribe & Save typically produces a higher-margin revenue line than incremental PPC at equivalent budget.

3.10 Buy-box recovery is structurally cyclical

Buy-box loss appeared in approximately 38% of portfolios, generally as a secondary pain. Buy-box issues are not stable states but cyclical: brands recover the buy box, lose it to a reseller or pricing change, and recover it again, on cycles of days to weeks. Buy-box monitoring is most productively treated as an ongoing operational task rather than project-based remediation.

3.11 Pain categories compound rather than substitute

Brands rarely reported a single dominant pain. The modal portfolio carried **two to three active pain categories simultaneously**, with compliance present in roughly seven of every ten cases regardless of which other pains were active.

Key implication. Compliance is the substrate beneath which other operational pains compound. Addressing PPC, inventory, or retention in isolation while compliance issues remain unresolved produces durably weaker outcomes than addressing the stack as an integrated system.

04

Discussion: the structural invisibility of EU compliance

The defining feature of the compliance pattern is not its prevalence but its detectability profile. Other dominant pains — PPC inefficiency, inventory misalignment, buy-box loss — register in standard dashboards. Compliance issues frequently surface only at the point of enforcement: the moment a listing is suppressed.

“We have cases just this week where we don’t have any issues in the compliance dashboard... and still the listing is suppressed for some reason we don’t know. Last Christmas was the worst — the product was good, and suddenly it was not. We lost the Christmas. Probably 10 to 20% of the catalog at any point will be blocked.”

— Enterprise client, multi-market EU seller (paraphrased)

Context. The regulatory environment driving these suppressions is intensifying, not stabilising. In the opening months of 2024 alone, the EU’s Safety Gate rapid-alert system logged more than 2,200 alerts for dangerous non-food products — a marked increase on prior years, and one of the pressures behind the GPSR reform that took effect in December 2024.⁶

The European Union does not function as a single Amazon market. It is a fragmented landscape of **27 distinct compliance regimes**, each with its own combination of national, EU-wide, and category-specific requirements. The General Product Safety Regulation (GPSR), in force 13 December 2024, introduced a baseline EU-wide framework — including the requirement for non-EU

manufacturers to appoint an EU-based Responsible Person whose contact details must appear on every product package.³ But GPSR is one layer among several:

- **Extended Producer Responsibility (EPR)** registrations are administered separately in each member state, with country-specific scheme operators (LUCID in Germany; CITEO in France). In Germany, failure to register in LUCID can trigger marketplace delisting and fines up to €200,000.⁴
- **Cosmetics products** must be notified through the EU Cosmetic Product Notification Portal (CPNP) on a per-SKU basis, with a separate Cosmetics Responsible Person required.⁵
- **Products containing batteries** trigger separate registrations under national battery regulations (BattG in Germany, Corepile in France, and equivalents).
- **Listings sold in Germany** require German-language copy and Warnhinweise (warning notices); Amazon DE buyers actively filter out English-only listings.
- **Category-specific frameworks** add further requirements for cosmetics, food supplements, electronics, toys, and other regulated product types.

Most US- and UK-based Amazon operating models were not designed for this layer of complexity. The result, observable across the dataset, is a recurring failure mode in which brands fix one compliance issue while remaining unaware of others — until enforcement surfaces them, often during high-volume commercial windows.

Regulatory framework as described: Regulation (EU) 2023/988 (GPSR); Regulation (EC) No 1223/2009 (Cosmetic Products); national EPR schemes (Germany – VerpackG/LUCID; France – CITEO). See References [3]–[6].

05

Founder commentary

“Compliance is the number-one stopover for Amazon brands trying to expand into Europe. Europe is too fragmented — every market has its own regulation, every category its own rule, and most US and UK playbooks simply don’t translate. The frustration we hear is consistent: brands aren’t avoiding the work. They cannot get a clear picture of what is actually wrong.”

— Mark Daniel Zalomajev, Co-Founder and CEO, INNELS

“What clients describe, again and again, is that Amazon is simultaneously very strict and very chaotic in how it enforces compliance. A brand fixes one suppression, and three more appear in different markets. The conclusion we draw from the data is that EU Amazon compliance cannot be a one-time setup task. It is an ongoing surveillance function — one most brands don’t have the internal resources to staff.”

— Andrejs Klimovskis, Co-Founder, INNELS

06

Conclusion and tool release

The findings point to a structural conclusion: **EU compliance is not a marginal issue affecting outlier brands. It is the dominant pain pattern across the European Amazon ecosystem** — affecting brands of all sizes, categories, and geographies — and it is structurally hidden until it generates enforcement consequences.

In response, INNELS has released a free diagnostic tool: the **EU Compliance Audit**, available at check.innells.com/compliance-checker. It accepts a live Amazon listing URL or manual product details and returns, in under two minutes:

- **A per-country compliance scorecard** across all EU markets selected by the user
- **A prioritized punch list** of identified blockers and risks, with concrete remediation steps
- **An estimated timeline to compliant launch** (typically 6–10 weeks for full-stack remediation)
- **An estimated cost range** for required compliance work

The tool runs against current regulatory frameworks (GPSR, EPR, CPNP, country-specific rules) rather than a generic checklist. It is free, requires no account, and is designed to be useful regardless of whether the user engages INNELS for follow-up implementation.

Run the free EU Compliance Audit — country-by-country scorecard in under 2 minutes. No credit card, no account.

check.innells.com/compliance-checker →

References and sources

Portfolio findings (prevalence rates, sub-type breakdowns, sample composition) are drawn from INNELS's internal analysis of its active client base and are identified as such throughout. The external sources below support the market-context and regulatory statements in Sections 2.6 and 4. All links were verified live at the time of publication.

- [1] Marketplace Pulse — Amazon third-party sellers: European marketplaces and share of the global seller base. marketplacepulse.com
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About INNELS

INNELS is a Copenhagen-based, full-service marketplace growth agency working with Amazon and TikTok Shop brands across Europe. Founded in 2018 by Mark Daniel Zalomajev and Andrejs Klimovskis, the agency has worked with more than 90 brands over eight years and operates a 16-person team across Europe. INNELS works on a commission-based model.

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