



# PROFIT SOURCERY

## The Amazon Seller Fees

*All rights reserved. Permission granted to reproduce for ProfitSourcery client use only. Commercial copying, hiring, lending is prohibited.*

Understanding Amazon seller fees is important. Before you start selling on Amazon you need to know what fees Amazon charge for selling on their marketplace so you can price your products accordingly.

The Amazon fees are individually small but depending on the Amazon services you use, they can add up. With this guide we'll take you through the various seller fees you may be charged by Amazon.

We'll distinguish the Amazon seller fees and FBA seller fees and we'll also provide some examples so you can see the seller fees in action.

*Don't forget that for each product at ProfitSourcery we calculate your seller fees in our profit calculator. This guide explains the seller fees so you understand what they cover.*

## What are Seller Fees?

Seller fees are fees you have to pay to Amazon for trading on their marketplace and using their services. There are a variety of fees sellers may have to pay, depending on the type of product you are selling and which (if any) of Amazon's services you choose to use in the process. In this guide we'll cover all of the seller fees so you know which are applicable to you.

### Amazon Seller Fees

#### 1. Monthly Subscription Fees

Amazon sellers can decide between having a Basic or Pro seller account. The Basic account is free to set up however you have to pay a 'per-item fee' to Amazon of £0.75 (plus VAT) for every item sold.

The Pro account is £25 (plus VAT) per month however there is no 'per-item fee'.

We recommend you have Pro seller account. This will allow you to make the most of your opportunities and make the most sales. For more information see our guide 'The Amazon Buy Box and How to Win It'.

*The 'Monthly Subscription fee' is not shown within the ProfitSourcery fee breakdown.*

#### 2. Referral Fees

For every item you sell on Amazon you will be charged a referral fee. This is essentially Amazon's fee for directing the customer to you.

For products in 'Media' categories (books, music, video games, Blu-ray and DVDs) the fee is calculated as 15% of the total cost to the buyer *excluding the shipping fee*.

For 'Non-Media' products (everything other than books, music, video games, VHS, Blu-ray and DVDs) this fee is charged as a percentage of the total amount paid by your customer for the item *including the shipping fee*.

The referral fee percentage for non-media items varies depending upon the parent category of the product. To check Amazon UK seller referral fees, click [here](#).

*The 'Referral Fee' is calculated for all the products you find on ProfitSourcery; it is part of the 'Amazon fee' breakdown.*

### 3. Variable Closing Fee (VCF)

If you are selling media products Amazon sets a shipping price for your offers, the fixed shipping rates for media items can be found [here](#).

When a customer purchases a media product from you Amazon takes the shipping fee at the time of the sale. A 'Variable Closing Fee' is deducted from the shipping fee before Amazon pass the rest onto you as postage credit (i.e. the money you use to pay for the actual posting of the item). The VCF applies to all media products (books, music, video, Blu-ray & DVDs).

To check Amazon UK variable closing fees, click [here](#).

If you are using FBA you will still need to pay a VCF on media products. However you do not receive postage credit from the sale as you are not posting the item yourself.

## Amazon Seller Fees Example

Here's an example providing an overview of the fixed seller fees discussed.

### Media Item Example (with Basic seller account, non-VAT registered)

#### Item sold: Frozen DVD

Selling price = £15.00  
Shipping = £1.26  
Total = £16.26

#### Amazon fees

Referral fee = (£2.25)  
Per-item fee = (£0.75)  
VCF = (£0.14)  
Total Amazon fees = (3.14)  
Minus VAT (15%) = (£0.48)

**Total credited to Amazon account =  
£12.64**

### Non-media Item Example (with Pro seller account, VAT registered)

#### Item sold: Digital Camera

Selling price = £120  
Shipping = N/A  
Total = £120.00

#### Amazon fees

Referral fee = (£8.75)  
Per-item fee = N/A  
VCF = N/A  
Total Amazon fees = (£8.75)  
Minus VAT = -

**Total credited to Amazon account =  
£114.38**

## FBA Seller Fees

Using Amazon's FBA service means you have additional fees added on top of the Amazon seller fees you pay. Here is a breakdown of the different fees you should expect to pay using the FBA service:

### 4. Fulfilment Fee

The fulfilment fee is Amazon's charge for taking your item from the warehouse, packaging it and shipping it to your customer. This is a flat fee based on dimensions and weight. This fee is not just based on the weight of the shipment but also the packaging type (e.g. small envelope, standard envelope or standard parcel). This varies depending on whether the product is a media, non-media or oversize item.

If the product you sell is worth more than £300 then a fulfilment fee is not charged. To check Amazon UK fulfilment fees, click [here](#).

*The "Fulfilment Fee" is calculated for all the products you find on ProfitSourcery; it is shown as the 'Fulfilment By Amazon Fee' in the Fee Calculator.*

## 5. Monthly Storage Fee

Storage fees are charged on a monthly basis based on your daily average stock volume. Essentially the more space your stock takes up the more you pay.

Between the months of January and September this is charged at £0.30 per cubic foot (or £10.59 per cubic metre). Between October and December this increases to £0.40 per cubic foot (or £14.12 per cubic metre).

To see the Amazon UK monthly FBA storage fees, click [here](#).

## 6. Long-Term Storage Fee

Twice a year you will receive a notification from Amazon regarding long-term storage fees. These fees are charged against any units which have been in the fulfilment centre for a year or more. This is designed to prevent you from using Amazon's warehouse as a dumping ground for stock you can't shift. This is a fairly substantial charge. The long-term storage fee per cubic foot is £25 (or £882.50 per cubic metre).

Though long-term storage fees are pricey, don't worry! Amazon warns you about a month before the charge is due by telling you which items will be charged and for how much. This gives you a chance to lower your prices to try to move the stock or you may choose to have the stock shipped back to you for a small charge. If the stock is really not selling at all you may choose to cut your losses and ask Amazon to dispose of the items for you for a minimal fee. You can also keep a single unit of each ASIN which will be exempt from the Long-Term Storage Fee.

To see the Amazon UK long-term FBA storage fees, click [here](#).

*ProfitSourcery does not calculate any storage fees within the fee breakdown.*

## 7. Optional Services

If you are using FBA there are additional services you can ask Amazon to fulfil for you. These include applying labels to your products, applying additional bubblewrap or other packaging to items.

Optional services can save you huge amounts of time and effort so sometimes it's well worth opting to use them. To see more information about the optional FBA services, click [here](#).

*ProfitSourcery does not calculate any optional service fees within the fee breakdown.*

## FBA Seller Fees Example

In the table below you can see a breakdown of the FBA seller fees discussed above.

### Media 'Standard Size' Envelope Example

Item Sold: Frozen DVD

Selling Price = £15

Product Dimensions = 19 x 13.6 x 1.6 cm

Weight = 9g

Number of units sold = x 1

FBA related fees

Fulfilment Fee = (£0.71)

One month Storage = (£0.00)

Total FBA related fees = (£0.71)

### Non-Media 'Standard Size' Parcel Example

Item Sold: Digital Camera

Selling Price = £120.00

Product Dimensions = 13 x 14 x 7 cm

Weight = 499g

Number of units sold = x 1

FBA related fees

Fulfilment Fee = (£1.77)

One month Storage = (£0.02)

Total FBA related fees = (£1.79)



## Full Fee Breakdown Example (Pro seller account using FBA, non-VAT registered)

This example highlights the total fee breakdown, based on all the fees discussed in this guide. In this example you can see the Amazon seller fees as well as the FBA seller fees.

**Item sold: Frozen DVD**

**Selling price = £15**

### **Amazon seller fees**

Referral fee = (£2.25)

Per-item fee = (£0.99)

VCF = (£0.14)

Total Amazon fees = (£3.38)

Minus VAT (15%) = (£0.51)

Total seller fees = (£3.89)

### **FBA seller fees**

Fulfilment Fee = (£0.71)

One month Storage = (£0.00)

Minus VAT (20%) = (£0.14)

Total FBA related fees = (£0.85)

**Total fees = (£4.74)**

**Total credited to Amazon account = £10.26**