

Amazon to compensate for unsafe goods sold by independent traders

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Amazon said it would use external, independent insurance fraud experts to analyze the validity of claims.

US online retail giant Amazon pledged Tuesday to directly compensate customers harmed or injured by faulty goods bought from independent

sellers on its platform.

The company said that from September 1 it will pay out on [personal injury](#) or property damage claims of up to \$1,000 for defective products sold through Amazon.com—which accounts for 80 percent of cases.

Amazon said in a statement on its website that it might pay out higher amounts if the vendor fails to respond to claims or rejects a [claim](#) that Amazon deems valid.

The announcement comes almost a month after the federal US Consumer Product Safety Commission (CPSC) sued Amazon in a bid to force the company to take responsibility for the recall of dangerous products sold on its platform.

Among the products deemed to potentially be putting customers at risk of injury or death were 24,000 faulty carbon monoxide detectors and 400,000 hair dryers sold without sufficient protection against electrocution.

"By standing behind customers and the products in our store, regardless of who sells them, Amazon is going far beyond our legal obligations and what any other marketplace service provider is doing today to protect customers," the company said.

It said it would use external, independent insurance fraud experts to analyze the validity of claims.

"We will present valid claims to sellers and deny unsubstantiated, frivolous, or abusive claims," it said.

"By doing this work on behalf of sellers, we save them from having to investigate these claims on their own."

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