

SUBTYPE

Label Compliance Defects

Label compliance chargebacks are issued when Amazon is unable to accurately or automatically receive shipments due to **labeling non-compliance**. Each carton and pallet must carry a clear, unique, scannable label that meets Amazon's specifications and has not been reused within the past 12 months.

OVERVIEW



WHAT TRIGGERS THIS CHARGEBACK

This chargeback is triggered when shipments arrive at Amazon's fulfillment center with **label defects** that prevent accurate automated receiving. Chargebacks are calculated based on your **12-week defect rate** and apply to the total cost of all defective products in the shipment.

The three label compliance defect types are listed below. Each is subject to tiered penalty rates based on your compliance rate band.

RATE (ABOVE 95%)

2%

PCOG on defective units

RATE (70–95%)

4%

PCOG on defective units

RATE (BELOW 70%)

6%

PCOG on defective units

LABEL DEFECT TYPES

Any of the following label conditions will trigger a chargeback at receiving:

- No Scannable Label On Pallet / Box
- Multiple Scannable Labels Present On Pallet / Box
- Reused Scannable Label Within 12 Months
- EU Market: Fixed EUR fee per unit (see Rate Card)



EXCEPTIONS

- No chargeback if the label defect was caused by an **Amazon fulfillment center scanning error**, confirmed in writing by the FC.
- Chargebacks are assessed based on your **12-week rolling defect rate**. Maintaining above **95% compliance** keeps your penalty rate at the lowest tier (2% PCOG).



HOW TO AVOID THIS CHARGEBACK

- 1

Label Compliance Defects
- ✓

Use **one clear, scannable label** per carton or pallet — never apply multiple labels.
- ✓

Ensure labels meet **Amazon specifications** and can be scanned by Amazon systems.
- ✓

Do **not reuse labels** that have been used within the past 12 months.
- ✓

Remove or cover any old or duplicate labels before shipping.

REQUIRED DOCUMENTS FOR DISPUTE

REQUIRED DOCUMENTATION

Include all of the following when disputing a label compliance chargeback:

- 1

Advance Shipment Notification (ASN)
ASN submitted in Vendor Central confirming the shipment details and label information.
- 2

Carton and Pallet Labels (SSCC)
Copies of the SSCC GS1-128 labels applied to cartons and pallets, confirming they are unique and compliant.
- 3

Bill of Lading (BOL) or PRO Number
BOL or PRO confirming shipment identity and delivery to the fulfillment center.
- 4

Shipment Creation and Confirmation Records
Records showing shipment was created with correct label specifications and confirmed before departure.

RATE CARD — BY MARKET

How chargebacks are calculated: Based on your 12-week defect rate — how many units had defects compared to total units received. The chargeback applies to the total cost of all defective products in the shipment.

US Market — % PCOG (Tiered)			
Rate based on 12-week compliance rate band			
SUB-INFRACTION	>95%	70–95%	<70%
No Scannable Label On Pallet/Box	2%	4%	6%
Multiple Scannable Labels On Pallet/Box	2%	4%	6%
Reused Scannable Label Within 12 Months	2%	4%	6%

EU Market — Fixed EUR / Unit	
Flat fee per defective unit regardless of compliance rate	
SUB-INFRACTION	CHARGEBACK / UNIT
No scannable label on pallet or box	€0.14
Multiple scannable labels on pallet or box	€0.14
Reused scannable labels within 12 months	€0.14

DISPUTE EVIDENCE EXAMPLES

Approved submission

APPROVED

Vendor Central — Receiving Portal

Amazon Fulfillment Center

receiving-compliance@amazon.com

Receiving Report — Label Compliance Verified

To: vendor-logistics@yourcompany.com

Shipment Receiving — Label Check

ASN Number: ASN-20260120-5521

PO Number: PO-20260118-774

Pallet Count: 12 pallets

Label Type: SSCC GS1-128 — unique per pallet

Label Age: New — not reused within 12 months

Scannable: Yes — all labels scanned successfully

Status: COMPLIANT — no label defect

✓ All labels unique, scannable, and compliant

- ✓

SSCC labels are unique, not reused within 12 months, and all pallets have a single scannable label.
- ✓

ASN submitted with matching label data — receiving completed without defects.

Denied submission

DENIED

Vendor Central — Receiving Portal

Amazon Fulfillment Center

receiving-compliance@amazon.com

Receiving Alert — Label Compliance Defect Detected

To: vendor-logistics@yourcompany.com

Shipment Receiving — Label Check

ASN Number: ASN-20260205-3312

PO Number: PO-20260203-441

Pallet Count: 8 pallets

Defect Type: Reused scannable label within 12 months

Additional Issue: Multiple labels found on pallet #4

Scannable: Partial — 2 pallets unscannable

Status: NON-COMPLIANT — chargeback triggered

✗ Reused label + multiple labels detected — chargeback applies

- ✗

Reused label detected — same SSCC used within the prior 12-month window. Chargeback applies.
- ✗

Multiple labels found on pallet #4 — automated scanning failed. Defect confirmed at receiving.