

The complaint

Mr T complains J .P. Morgan Europe Limited trading as Chase (Chase) caused severe inconvenience when it mis-advised him as to the reason behind why his online bank account application had been rejected.

What happened

Mr T says in early April 2022 he applied online for a savings account with Chase. Mr T says he experienced some initial issues during the application process, which seemed to be sorted only to find at the end of the application, it had been declined. Mr T says he telephoned Chase to understand why, as this had never happened to him before. Mr T says Chase informed him the account was rejected and he could expect an email telling him to check his credit history.

Mr T says the email from Chase never arrived and when he finally spoke to Chase he informed them after checking through his credit history it was fine. Mr T says Chase then explained the reason for the failed application was due to him using a stored photo for identification rather than from an original document. Mr T says he has spent great deal of unnecessary time looking through lengthy credit reports, making calls whilst overseas and has been inconvenienced by the initial mis-advice given.

Mr T says although Chase have paid him £50 by way of an apology it doesn't go far enough and wants it to pay him a total of £250.

Chase says it accepts Mr T was given misleading advice initially by a staff member, but it has apologised for that, had his complaint dealt with promptly and opened the savings account giving Mr T an explanation why the account was rejected initially. Chase felt its offer of £50 in compensation was fair.

Mr T wasn't happy with Chase's response and referred the matter to this service.

The investigator looked at all the available information and agreed Mr T had been inconvenienced. The investigator felt Chase could have done more to resolve the issue sooner and should pay Mr T a further £50 by way of compensation making a total of £100.

Mr T didn't agree with the investigator's view and felt the compensation should be £250 and asked for the matter to be referred to an ombudsman for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I also uphold Mr T 's complaint and agree the compensation suggested by the investigator is fair here, and I will explain how I have come to my decision.

I can understand it would have been frustrating for Mr T to have his online savings account application rejected and then to be incorrectly informed why it had.

When looking at this complaint given Chase have accepted its initial mistake, I will consider if the level of compensation it has offered was reasonable in the circumstances.

It's fair to say when Mr T initially raised the issue with Chase concerning the failed application a member of its support team misleadingly told him he would get an email suggesting he checked his credit files.

Mr T's complaint here is he had to make various calls whilst overseas and check through lengthy credit reports, only to find there were no issues with his credit file. Mr T eventually discovered following telephone conversation with Chase, the issue was that he'd taken a photo of a stored image of his identification not an original and for security/fraud reasons to protect its customers, the application had been rejected.

So, while I agree Chase could have handled the initial complaint about the application better here, when it did understand where it had gone wrong, it dealt with matters quickly and professionally. I have listened to a telephone conversation between Mr T and a member of Chase's support team on 21 April 2022 and a full explanation was provided and further support offered if Mr T needed it.

Mr T feels the level of compensation of £50 Chase paid him is insufficient - it's worth saying that it's not my role to penalise businesses when mistakes like this occur, but to ensure it takes corrective action swiftly when it does, apologise and pay an appropriate amount of redress.

I'm satisfied Chase have done that here, but also taking into account the reason for the account rejection was due to Mr T incorrectly taking a copy image of his identification. That said, as I've already mentioned Chase could have dealt with that sooner than it did. I'm not suggesting Mr T wasn't inconvenienced here – he was, but that's not to say a higher level of compensation is always warranted.

With that in mind and on balance, I'm satisfied a further £50 for the inconvenience caused, is more appropriate here.

While Mr T will be disappointed with my decision, I am satisfied this is a fair outcome here.

Putting things right

I instruct J.P. Morgan Europe Limited trading as Chase to pay Mr T a further £50 by way of compensation for the trouble and upset caused, making a total of £100 overall.

My final decision

My final decision is that I uphold this complaint.

I instruct J.P. Morgan Europe Limited trading as Chase to pay Mr T a further £50 by way of compensation for the trouble and upset caused, making a total of £100 overall.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 21 March 2023.

Barry White
Ombudsman