

## **The complaint**

Miss S has complained that J.P. Morgan Europe Limited trading as Chase ('Chase') blocked her account for a number of months and didn't return all her money back to her. She wants to be compensated for the losses she suffered as a result of not having access to her account for such a long time and says this impacted her family and also her health.

## **What happened**

Miss S received a £900 payment in December 2022 and as this wasn't credited to her account, she contacted Chase in January 2023 to ask why. She was told that her account was under a regulatory review. This also meant that the account was blocked so she wasn't able to access any of her funds. Chase also wrote to Miss S to ask her to provide proof she was entitled to the £900 and said that until valid proof was provided, she wouldn't be able to use those funds and her account would continue to be restricted. Chase said if proof wasn't provided within seven days, it would return the funds to the payee's bank.

Chase also asked Miss S what the payment was for and said it had received a report from another bank saying the payment was in relation to a cryptocurrency scam. Miss S refuted this and said it was for clothing and for the provision of services. She initially provided an invoice showing it was payment for clothing. Chase said this wasn't sufficient and Miss S provided texts she'd exchanged with the payee and also a link to her webpage where she advertised the services she provides. All the evidence was provided within seven days of Chase's initial letter asking for proof of entitlement.

Miss S was in touch with Chase over January and February 2023 almost on a daily basis asking for updates. She was told her account was under review and no timescale could be provided.

Miss S then complained about not having access to her account and said she should at least be entitled to access benefits payments that were made to her by the government. Among other things she told Chase that her mother was ill and she wasn't able to visit her, that she was being threatened with eviction because she wasn't able to pay her rent and also that she needed money for her children. Chase didn't uphold the complaint. It said it was acting in line with its terms and conditions when carrying out a review and was not obliged to provide a deadline as to when this would be completed.

Miss S complained to us in February 2023 while the account was still under review. She said this was her main account and that it was still blocked. Before our investigator completed her review, Chase confirmed that Miss S's funds were returned to her in July 2023, apart from the £900, and that the account was still suspended.

Our investigator thought the complaint should be upheld. Her view was that though it was fair and reasonable for Chase to block the account in order to carry out a review this should have been completed sooner. She also didn't think the £900 should have been returned to source and that Miss S had demonstrated that she was entitled to it. Our investigator said Chase should pay Miss S her funds back plus interest, pay interest on the funds that Miss S

couldn't access until they were returned to her in July 2023 and also £200 compensation for the distress and inconvenience it caused her.

Chase agreed but Miss S didn't. She said the fact that she wasn't able to access her funds for such a long time had a big impact on her. She said she wasn't able to pay legal fees which resulted in her children being taken away from her and also that the stress of not having access to her account impacted her health and that she needed treatment. She feels the compensation should be higher, around £20,000.

Our investigator responded to say we wouldn't award compensation for legal fees or medical treatment. Our investigator asked for further evidence in relation Miss S's legal fees, but this wasn't provided.

Miss S asked for an ombudsman's decision and the case was passed to me.

### **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.

Chase has important legal and regulatory obligations it must meet when providing accounts to customers. These obligations are ongoing. To comply with its obligations Chase may need to review an account and/or restrict its customers' access. The terms and conditions of Miss S's account permit Chase to block an account. This means Chase is entitled to review an account at any time.

Miss S has complained about the length of her account review and the fact that she had no access to any funds in that account for about six months. So these are the issues I will be considering in this decision. The account may have been closed by now and if that is the case and if Miss S wishes to complain about that she can raise a new complaint with Chase.

As Miss S is aware, Chase received a report from another bank stating that the payment of £900 made in December 2022 related to an alleged scam. I don't think this is something Chase could ignore and, for that reason, I think it was fair and reasonable for Chase to investigate the report and also to block the account in order to carry out its investigation.

Chase wrote to Miss S on 23 January 2023 asking for proof of entitlement to the payment within seven days. From what I have seen, Miss S provided sufficient proof within the seven days she was required to do this. She supplied an invoice and also texts in support of the fact that the payment was for services she'd provided. I appreciate the invoice says it was for clothing, but I don't think this means she wasn't entitled to the payment. The texts showed that a service was likely provided on the day the invoice was made out and it was in the payee's name. I think this was sufficient and I am satisfied that, on balance, Miss S was entitled to the £900 payment. Furthermore, in the specific circumstances I understand why a full description wasn't given in the invoice.

For the reason above, I think Chase should have unblocked the account shortly after the proof of entitlement was provided. Chase returned some of Miss S's funds but not until May (the benefits payments) and July 2023. I think it held on to those funds longer than it should have and I think this caused Miss S a loss as she had no access and wasn't able to use those funds. For that reason, I think Chase should also pay interest on those funds up to May and July 2023- I think this represents fair compensation for the loss Miss S suffered.

Despite Miss S providing sufficient proof within seven days Chase decided to return the funds to the payee's bank. I don't think this was fair and reasonable because, as I said

above, based on the evidence I've seen I think that it is more likely than not that Miss S was entitled to that payment. So, I think Chase should return the £900 back to Miss S with interest.

Miss S called Chase almost daily to get an update regarding her account. In each call she explained the impact this was having on her and her family. In each call she was told that her account was under review and that she would be updated once the review was completed. I understand that account reviews can take time to complete but I haven't seen anything from Chase to explain why it took around six months for it to return Miss S's funds to her. I appreciate her benefits payments were paid to her in May 2023 but I think that is still a long time to wait. For these reasons I think Chase should pay Miss S £200 for the distress and inconvenience it caused her by not acting more quickly when it came to releasing her funds to her.

Miss S said that she feels that the compensation should be much higher. I should explain that we aren't here to punish businesses, and this is reflected in the awards we make. Miss S said she had to pay for legal fees in relation to her children which, unfortunately, were taken away from her. I was very sorry to hear this and I hope that she does manage to resolve this dispute in the best way possible for her family. Nevertheless, without any evidence in support this isn't something I can ask Chase to compensate Miss S for. And even if I had evidence relating to the fees, I don't think that this is an expense that was the direct result of Chase's actions i.e. of Chase placing a block on the account. This seems more like a family dispute which doesn't relate to Chase.

Miss S also said that she had to have treatment for her hair due to the stress this situation was causing her. I appreciate it was very stressful and it is something that came across in her calls with Chase. But, again, this isn't a loss that I am minded to make an award for because I don't think it was a reasonably foreseeable result of Chase's actions.

### **My final decision**

For the reasons above, I have decided to uphold this complaint. J.P. Morgan Europe Limited trading as Chase must pay Miss S back her £900 plus 8% interest per year simple from the date payment was received to the date it pays her. It should also pay 8% interest per year simple on the funds it refunded to Miss S from 1 February 2023 (being the day after Miss S provided proof of entitlement) to the date the funds were refunded. It must also pay Miss S £200 for the distress and inconvenience it caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 4 January 2024.

Anastasia Serdari  
**Ombudsman**