

## **The complaint**

Mr A has complained that J.P. Morgan Europe Limited, trading as Chase, failed to retrieve a bank transfer payment he says he made in error to the wrong account.

## **What happened**

On 6 April 2023 Mr A attempted to transfer £803 from his Chase bank account to a friend via the faster payments system. Unfortunately he had input the wrong sort code in his request, meaning that the money did not go to the intended recipient. Mr A became aware of this shortly after making the payment, and he contacted Chase and asked if it could retrieve the money for him.

Mr A says that Chase did not keep him up to date with progress on the attempted recovery of the money, and so he had to regularly contact the bank to get an update on the situation. Chase then informed him that the receiving bank had had no reply from the account holder to whom the payment had been sent in error. Mr A complained to Chase about its actions. In response Chase offered Mr A £15 for delays in providing updates relating to the payment retrieval. It also provided Mr A with contact details if he wanted to contact the receiving bank directly.

I understand that in June, Mr A contacted Chase again, saying that the receiving bank had told him to ask Chase to request the return of the money again. Chase did so, but it states that the receiving bank did not respond.

Mr A complained to Chase again about its actions. In August 2023 Chase confirmed that the receiving bank had not responded to it. Chase stated that it was no longer able to assist in recovering the payment, and it suggested that Mr A should again contact the recipient bank.

Dissatisfied with this outcome, Mr A brought a complaint to this service. Whilst this complaint was being investigated, Mr A told us that he was not able to access his Chase bank account because it was under review.

Our investigator did not uphold the complaint about the failed retrieval of the £803 payment. She noted that under the relevant regulations, as a payment service provider Chase was required to take 'reasonable steps' to recover funds mistakenly applied to an account. Mr A had told Chase on 6 April that he had transferred funds to the wrong account, and Chase started the payment recovery process the next day. However, when the receiving bank contacted the recipient of the money, it didn't receive a response.

The investigator agreed that Chase had failed to keep Mr A updated with the recovery process in the required timescales, but she considered it acted reasonably when closing the claim and referring Mr A to the receiving bank. Her view was that the £15 compensation Chase had paid Mr A was reasonable. She also stated that Chase had acted fairly when it requested recovery from the receiving bank a second time, after Mr A had contacted the receiving bank and it had suggested Chase should do this. After the recovery had again failed when the receiving bank did not respond, the investigator stated Chase had acted appropriately when closing the claim.

In terms of the problems Mr A was encountering accessing his Chase account, the investigator explained that this represented a new complaint, and would need to be referred by Mr A in the first instance to the bank so that it could respond.

Mr A replied to say that his main dissatisfaction in this matter related to the actions of the receiving bank, and he said that he had explained this when first contacting this service. He said that the receiving bank had not given him a final response regarding the failure to retrieve his payment.

Mr A said that the payment he had made was clearly a result of a genuine mistake by him. As a result, he suggested that under the regulations, the amount should be returned to him. Mr A also said that he considered the fact that Chase had carried out an account review was linked to his complaint about the failed recovery of his payment.

The investigator explained that she could assist Mr A in setting up a complaint against the receiving bank. She also reiterated that she considered Chase had done enough to try and retrieve Mr A's payment for him, and explained that the regulations do not guarantee that someone will get their funds back when a genuine mistake has been made with the original transfer request.

Mr A responded to confirm that he would be pursuing a complaint against the receiving bank. He also explained that his account with Chase was still under review, and he said this was linked to events relating to his request for retrieval of his payment. Mr A asked that this matter be investigated.

Mr A highlighted the events that had occurred in June 2023, when Chase had suggested he contact the receiving bank directly about the payment. This led to the receiving bank telling him that it couldn't find an email from Chase about the payment, and asking him to contact Chase again. Mr A pointed out that Chase had told him in August that it had contacted the receiving bank again, but had still not received a reply.

Mr A confirmed that he wanted his complaint against Chase to be reviewed by an ombudsman. He also explained that Chase had recently told him that it was going to close his account. He asked that it reopen his account, and compensate him for the actions it had taken in relation to his account after he had brought his complaint to this service.

The investigator explained again that concerns Mr A has about Chase's review and closure of his account represent new issues that occurred after Mr A made his complaint about the attempted payment retrieval. As such these would need to be raised first with Chase, and Mr A could then ask this service to consider those matters if he was unhappy with Chase's response, in a new complaint.

Mr A maintained his view that Chase's review of his account forms part of his complaint about the payment retrieval, on the basis that the account review was a response to his complaint. He also said that Chase has already issued a final response to his complaint about the review and suspension of his account.

### **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.

At outset I should explain the scope of the complaint that I have considered in this case. As outlined above, I appreciate that since this complaint first came to us, Mr A has

corresponded with our investigator about actions Chase has been taking with his account. He initially explained that restrictions had been placed on his account as part of a bank review of it, and more recently he has said that he has been told his account is going to be closed.

Mr A has stated that in his view, the review and closure of his account directly follow from his decision to pursue his complaint about Chase's actions regarding retrieving the payment he made in April 2023. I acknowledge what he has said, but I consider the complaint made about Chase's actions regarding the April 2023 payment is distinct from events which have happened more recently, and should be considered separately. That's because the complaint referred to this service under the above reference number was specifically about whether Chase had acted fairly when trying to recover the April payment.

If Mr A wishes this service to consider his concerns about Chase's review and proposed closure of his account, and has a formal response from Chase about these issues, he will need to refer that as a new complaint to us. For the reasons I have explained, in this decision, I have only assessed Chase's actions regarding the April payment.

The day after Mr A brought to Chase's attention the error he said he had made transferring the £803 payment, the bank started its credit payment recovery process, and told Mr A about this. As the investigator explained, regulations require a payment service provider such as Chase to take 'reasonable steps' to recover funds mistakenly applied to an account. Unfortunately there is no certainty that a bank will be able to get mistakenly sent funds returned.

My understanding is that the reason this recovery was not successful in the first instance was because the recipient of the money did not respond to the receiving bank when contacted about it. I appreciate that Mr A regularly contacted Chase to ask it for updates on progress with the retrieval. Chase accepted that it had not kept Mr A as up to date as it should have done and offered him £15. Overall my view is that Chase acted reasonably in this regard.

Because Chase had not been able to successfully recover the payment, it closed the claim, and it gave Mr A the contact details of the receiving bank. After Mr A contacted the receiving bank, it suggested he should ask Chase to make another claim to it. This was done, but on this occasion it was the receiving bank which didn't respond to Chase.

I appreciate why Mr A was dissatisfied that his approach to Chase had not resulted in the payment being recovered. However, having considered the submissions made, my view on balance is that Chase acted reasonably in its actions when attempting to recover the funds transferred in April 2023. Although I am sorry to learn about the events that happened when Mr A attempted to send a payment to his friend, and I realise that he is likely to be disappointed with my findings, my conclusion is that Chase has not been at fault for the failure of the recovery of this payment.

### **My final decision**

My final decision is that I do not uphold this complaint, and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 March 2024.

John Swain  
**Ombudsman**

