

The complaint

Mr G complains that he temporarily had no access to his funds held with J.P. Morgan Europe Limited trading as Chase (“Chase”) and the security processes he had to go through to gain access again. Mr G is particularly unhappy he had to change his memorable six-digit passcode.

What happened

While trying to make a second online purchase on 17 August through Chase’s app a link was broken between Mr G’s mobile device and Chase’s platform and Mr G was logged out and asked to go through Chase’s security protocol. After failing the ID verification Mr G called Chase on his mobile. Whilst on the call Mr G’s identity documents were accepted and Mr G was asked to create a new passcode.

Mr G was unhappy about this as he didn’t want to change his passcode and complained to Chase about this and that he was prevented to access his funds due to its security processes and this made him and other customers vulnerable.

Chase didn’t agree there had been a system error and that it was Mr G who initiated the process to create a new passcode. Chase compensated Mr G £50 as a gesture of goodwill for the distress and inconvenience caused.

Mr G was dissatisfied with this, he is unhappy that he can’t use his previous passcode and that Chase failed to address various aspects of his complaint and failed to call him on his preferred number. So, Mr G brought his complaint to this service.

Chase provided a copy of its record log showing Mr G’s account activity on 17 August. It shows Mr G’s session timed out after successfully making an initial purchase and Mr G was prompted to enter his six-digit passcode using his keypad.

The log shows Mr G selected the option ‘Forgot passcode?’ which triggered Chase’s reset process. The app then requested Mr G enter his phone number so Chase could send him a one-time passcode in order to verify it was him requesting the reset.

A verification code was sent and Chase’s security protocol followed – where Mr G uploaded a live photo of himself holding his passport and then due to the images being declined due to poor image quality (glare on his passport photo) Mr G uploaded a further photo of him with his license which was accepted and Mr G was able to continue with the passcode reset and was able to log back into his account on the app the same evening.

One of our investigators looked into all of this and agreed that Mr G had suffered some inconvenience after it was found the link between his device and Chase’s platform was removed. But after reviewing Chase’s record log above, thought that the passcode reset was triggered by Mr G rather than an error on Chase’s part.

Furthermore, they didn’t think Chase had done anything wrong in Mr G not being able to use his previous passcode or not accommodating Mr G’s call preference as its reasons were

valid for security purposes. On that basis they thought the £50 Chase had compensated Mr G for the inconvenience in regaining access to his account was fair and didn't think Chase needed to do anything more.

Mr G disagreed, he says there is no way he would've requested a passcode reset as he'd originally chosen one he would never forget and the reason he was very unhappy at having to change it. Mr G maintains that the passcode reset was triggered by the Chase app when he was asked to re-verify his ID and a failure of its systems to match his ID picture with a live picture. Mr G has asked for an ombudsman's 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.

I hope that Mr G won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr G's complaint is that Chase's processes temporarily blocked access to his account and forced him to change his six-digit passcode leaving him vulnerable. Furthermore, Mr G says Chase failed to address and summarise various aspects of his complaint in its final response.

It might be helpful for me to say here that, this service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their performance or behaviour – that's the role of the regulator, in this case the Financial Conduct Authority. So I can't look at Chase's complaints procedures and tell it what it must do and how it should answer his complaint, and even if it was in this service's power to do so, as complaint handling isn't a regulated activity, we wouldn't be able to look at Mr G's complaint if it solely related to this.

Furthermore, I don't have the power to tell Chase how it needs to run its business and I can't make Chase change its systems or procedures – such as how its security protocol is triggered or its processes around this. My role rather is to look at problems that Mr G has experienced and see if Chase has done anything wrong or treated him unfairly. If it has, I'd seek to put Mr G back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having considered all the evidence I don't think it was due to an error on Chase's part that its security protocol was triggered or Mr G having to change his passcode. Mr G is adamant that he wouldn't change his passcode and I accept that he may not have intentionally done this. But based on the evidence and as per the background above, I can't say he didn't request this, as this is what the record log shows – that following Mr G's original session timing out, when going through security a passcode reset was requested.

Mr G is unhappy that Chase refused to let him reuse his passcode. I appreciate why Mr G would like to use his old passcode – it is difficult remembering different codes and passwords for different things and he had one which worked for him. But I'm sure Mr G understands Chase has a duty to ensure the security of its customers accounts and as a passcode reset had been requested, it's deemed the security of his passcode had been compromised and so a new passcode needed to be set. I don't think this is unreasonable.

I also don't think Mr G has provided this service with a satisfactory reason why Chase should make reasonable adjustments to its security procedures in his case and let Mr G keep his old passcode. Indeed, in Mr G's own words he has no vulnerable characteristics, rather like

with most, having to change a passcode from one that has been used for a long time is harder to remember. So, I don't think Chase have treated Mr G unfairly in insisting he did this when a passcode reset was triggered on its system intentionally or not by him.

And it is for the same reasons I don't think Chase was treated Mr G unfairly by not contacting him on a work number provided by him. Chase used the mobile number that was linked to his account and had been previously verified. Chase has confirmed it can contact customers on alternative numbers in certain circumstances but that this would require manual verification to be completed. I understand Mr G wanted Chase to use his work number due to his mobile being on vibrate or him being busy at work, as well as the mobile signal being poor. But as Mr G wasn't prevented from using his mobile – rather his preference was to be called on a work number - I don't think Chase calling Mr G on his mobile number was unreasonable when balanced with Chase's need to ensure security and contacting a customer on a device it knows is directly linked to them.

Finally, I understand Mr G is concerned about the prospect of being left vulnerable in the future should the same happen again and being unable to access his account. But our role is to determine what has happened and if Chase has done anything wrong. Not what may or may not happen in the future. And as I've already explained, based on the evidence I can't say that it was Chase's error that caused the passcode reset and so I can't say it did anything wrong in this regard. Nor can I say it was unreasonable for it not to use a new number to contact him rather than the one linked to his account or that it wouldn't allow him to reuse his passcode, as I think to do this raises valid security concerns.

Chase did however accept Mr G was inconvenienced and offered as a gesture of goodwill £50 for this which I think is fair. So, on this basis I don't think there is anything further Chase needs to do to settle Mr G's complaint.

My final decision

For the reasons I've explained, I've decided that J.P. Morgan Europe Limited have done enough to settle Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 April 2024.

Caroline Davies
Ombudsman