

The complaint

Mr A complains that J.P. Morgan Europe Limited trading as Chase did not reverse a transaction which caused him financial hardship.

What happened

Mr A says that a third party company took two transactions out of his Chase account when they should've only taken one. He says he contacted Chase, where the call handler asked him if this would put him in financial distress and he told her it would. Mr A says the call handler asked him to provide screenshots of the transactions from the merchant which he did, and he says the call handler informed him that she would be able to reverse the transaction because of the financial hardship.

Mr A says that the call handler asked him to speak to the third party company to get confirmation from them that the transaction had been reversed. As it was after 11pm, Mr A says he couldn't do this, so the call handler told him that Mr A would have to wait up to ten working days for the transaction to go unclaimed. Mr A says the call handler set an expectation that the payment would be reversed, and even though he informed her of his disability, she didn't help him despite knowing what the impact would be on Mr A and his family (including him not being able to pay for fuel for his wife to go to work). Mr A made a complaint to Chase.

Chase did not uphold Mr A's complaint, but they offered him £10 compensation as a goodwill gesture. They said they were only able to remove pending transactions when they receive explicit consent from the receiving merchant that the payment should be cancelled. They said due to the evidence not being provided they were unable to complete his request. Chase said in regards to the humiliation Mr A felt when speaking to one of their managers, they were very sorry that he felt that way, but they said there were no customer service failings on their behalf. Mr A brought his complaint to our service.

Our investigator said that Chase cannot cancel pending transactions as they're expecting the merchant to claim the funds. However, if a customer can contact the merchant and get confirmation that the transaction has been cancelled on the merchant's end Chase can put forward an "*authorisation expiry*" which would cancel the transaction, remove the funds from pending status and place them back in the available balance. She said it was reasonable for Chase to require evidence that the merchant had cancelled the second transaction for £78.36 before agreeing to refund this amount to Mr A's account. She said Chase followed their own procedures and industry rules when they told him that they couldn't reverse the £78.36 transaction without evidence that the merchant had agreed to cancel the transaction.

Mr A asked for an ombudsman to review his complaint. He made a number of points. In summary, he said It was clear in the phone calls that it was implied that this amount would be able to be refunded to him immediately if it was causing him financial hardship, but it wasn't, and the refund from the merchant was received later, which meant his wife couldn't go to work, which meant he was financially impacted. Mr A said he was left feeling degraded and humiliated by Chase, and he felt Chase breached the Disability Discrimination Act 2005 (later replaced by the Equality Act 2010).

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.

Mr A has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I want to make Mr A aware that I'm only able to look at the actions of Chase as part of this complaint, and not the merchant's actions. Mr A may wish to consider a separate complaint with the merchant directly as they had duplicated the original transaction.

I must make it clear to Mr A that it is not within this service's remit to tell a business how they should operate their payment reversal procedures, such as what criteria they should consider in order to reverse a pending transaction. It would be the role of the regulator – the Financial Conduct Authority (FCA), who have the power to instruct Chase to make changes to their policies and procedures, if necessary.

Mr A has raised discrimination points with how Chase has treated him. Chase do not agree with this, and they've told me that the payment was not reversed due to any relation to disabilities or vulnerabilities, and it was purely not fulfilled as Mr A had not provided them with adequate evidence for the charge. But Mr A doesn't see it that way. He's felt discriminated against.

Mr A has also said that Chase haven't taken into account the Equality Act. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr A wants a decision that Chase has breached the Equality Act 2010, then he'd need to go to Court. However, based on what Mr A has said in relation to Chase discriminating against him, I am persuaded that they've acted fairly and reasonably in the circumstances of this case, and I will explain why.

Of course it would have been upsetting for Mr A to see that the merchant had duplicated a payment which was pending on his account. So Mr A contacted Chase to see if they could reverse the duplicate payment. And based on what Mr A has told us about his financial situation, and the importance of getting the duplicate payment reversed (so his wife could get to work), then I can understand why this is so important to him.

So I've listened to the phone calls to see how Mr A was treated. While it was clear on the calls that Mr A would be in financial difficulty due to the merchant's error, I didn't hear Mr A tell any of the call handlers about his disability. But even if he would have told them about his disability, I'm not persuaded that this would have made a difference to what happened here, and I'll explain why.

On the initial call, Mr A asks for the duplicate amount to be immediately reversed. The call handler asks Mr A if he tried to contact the merchant, but Mr A notes the time. The call handler places Mr A on hold to see what she can do for him. When the call handler returns, she tells Mr A that they unfortunately can't intervene on a pending transaction. Mr A explains that this would leave him with no money. The call handler says they will help him out with the transaction, but first they need to wait for the merchant to complete the transaction. Mr A asks for a manager to give him a call back in five minutes and he disconnects the call.

After listening to this call, I'm not persuaded that the call handler set an expectation that they would be able to immediately reverse the pending transaction. The call handler was quite

clear that they couldn't intervene on a pending transaction, and it was because of this that Mr A requested a call back. She did not agree that a manager would be able to ring Mr A back within five minutes.

Mr A rings back Chase as he didn't get a manager call back within five minutes. He explains the situation to the new call handler, who tells Mr A that they can't reverse a transaction until it has been posted. Mr A asks to speak to a manager. The call handler puts Mr A on hold so he can look for a manager. When he returns he tells Mr A that a manager will immediately call him back.

I've listened to the call where the manager rings Mr A back. Mr A explains to the manager what has happened. The manager asks Mr A if he would be experiencing financial difficulty if the duplicate payment wasn't reversed, and he confirmed it would. He also explained he and his wife wouldn't be able to purchase the fuel they needed, based on the current balance. The call handler asked Mr A if he had anything to show the merchant had cancelled the payment. Mr A uploads information to the chat facility and he explains his thought process with what happened.

The manager confirms this isn't a (Chase) bank error. She asks if £10 would be enough to get fuel, which Mr A confirms it isn't. The manager explained they didn't have the relevant evidence from the merchant in order to reverse the pending transaction, and the £10 was the most she could pay to the account. She said that they needed proof from the merchant that they wouldn't be taking the payment in order to process a *"forced expiry"*.

I'm not persuaded that the manager set an expectation that she didn't deliver on this call. I say this because she tried to use an exceptions process due to Mr A's financial difficulty, which isn't Chase's normal process, but they need evidence as part of their exceptions process from the merchant that they wouldn't try to take the payment. And I'm not persuaded that Mr A letting them know he had a disability would have changed this requirement, as Chase would need to be satisfied that they had the evidence they required to reverse the payment, and they did have a note on their system which would've made them aware of his disability.

Although Mr A sent Chase a screenshot, this did not have the required information Chase needed to process the reversal of the duplicate transaction. So while I can sympathise with the position Mr A was in as a result of the merchant's actions, I'm unable to conclude that Chase did anything wrong here. Although Mr A felt humiliated by the calls, the staff were courteous to Mr A. The first two call handler's reiterated their process for a pending transaction, and a manager looked at an exceptions process, but ultimately, Mr A was unable to meet the criteria for the transaction to be reversed.

I've considered whether Chase could have raised a chargeback for Mr A in order to credit his account with the £78.36 payment. But a chargeback could not be completed for a pending transaction. So this option wouldn't have been available to Chase. As Chase offered Mr A £10 on the call with the manager, I'll be asking them to make this payment to Mr A, but as I've not been able to conclude Chase made an error with how they treated Mr A, it follows I don't require Chase to do anything further.

My final decision

J.P. Morgan Europe Limited trading as Chase has already made an offer to pay £10 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that J.P. Morgan Europe Limited trading as Chase plc should pay Mr A £10. But I won't be requiring them to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 April 2024.

Gregory Sloanes
Ombudsman