

The complaint

Mr S complains that J.P. Morgan Europe Limited trading as Chase constantly rejected the switch of his current account to a third party building society.

What happened

Mr S attempted to switch his Chase current account to another company, but he received an email from Chase to say the switch had been declined as he had a linked savings account which needed to be closed first. Mr S reluctantly closed the savings account, as there was no alternative if he wanted to switch his current account, but they declined the switch again as Chase said his name did not appear exactly the same on both accounts.

Mr S contacted Chase to inform them the name wouldn't match as the new account would include his wife's details, and he was advised to use just his details for the switch and to submit this again, but it was declined by Chase because unbeknownst to Mr S, they had included his middle names on his account.

Chase told Mr S they would not be able to switch the account as he was switching to a joint account, which was against their terms. Mr S could not find anywhere where this was mentioned in their terms. He contacted the Current Account Switching Service (CASS) who told him a sole to a joint account is an option participating banks can offer, but unfortunately in Chase's case, they currently do not have the internal infrastructure to facilitate this at the moment. Mr S lost out on a switch incentive of £200 due to not being able to switch his account. Mr S made a complaint to Chase.

Chase partially upheld Mr S' complaint. They said Chase reserves the decision to reject a sole to joint account switch as it is not mandatory, and it is something that banks can opt to offer. They said they had initially advised that the switch was rejected due to personal details not matching, so they paid him £50 compensation. Mr S brought his complaint to our service.

Chase offered to increase the compensation they paid by another £50, and to pay him the £200 switch incentive he missed out on (to total £300 compensation). Our investigator felt this offer was fair as she said Chase missed opportunities to provide Mr S with all the information he needed regarding their switching service limitations. Being unable to switch to a joint account isn't a standard limitation of the CASS so she thought it should be made clear by Chase that this isn't an option for them at the moment.

Mr S asked for an ombudsman to review his complaint. He made a number of points. In summary, he said he wanted £1,500 compensation, he said Chase should be suspended from the CASS until such time as they are able to offer the same service and facilities as all other participants, and furthermore, they should be reprimanded. Mr S raised concerns about how they handled his complaint, such as not responding to him within five working days. Mr S said that the existence of the restriction is obviously annoying, but the real issue is their total failure to publicise this and make it known to other institutions and to stop wasting everyone's time.

As my findings differed in some respects from our investigator's, I issued a provisional

decision to give both parties the opportunity to consider things further. This is set out below:

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

Mr S 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’d like to explain to Mr S that it is not within this service’s remit to tell a business how they should run their policies and procedures, such as whether they should accept switch applications from another financial institution to switch over a sole account from them to a joint account. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Chase to make changes to their policies and procedures, if necessary.

I must explain to Mr S that complaint handling by a business isn’t a regulated activity and as such, the issues he’s raised that relate directly to how Chase has investigated his complaint, such as issuing their response after five working days does not come under my powers to consider. But I can reassure Mr S that Chase issued their response to his complaint in line with the regulator’s timeframes for issuing a response.

Mr S has already had confirmation from the CASS that as per the switching service, a sole to a joint account is an option participating banks can offer (not must offer). But I’ve considered what Mr S has said about Chase not advertising the fact they won’t switch a sole account to a joint account elsewhere. I agree that this is not mentioned in their terms and conditions, and I can’t see anywhere where they’ve publicised this. While Chase can make a commercial decision as to what internal procedures they want to publicise, I’ve considered whether they treated Mr S how I would expect him to be treated in the circumstances.

I am persuaded that Chase let Mr S down on a number of occasions. They had the opportunity to inform Mr S about their external switch procedures several times before they did inform Mr S for the real reason why the switch failed.

Mr S was sent an email when the switch was declined for the first time. This highlighted that there may be multiple reasons as to why the switch had declined including him still having a Chase savings account still open. But when the switch was rejected, Chase have told us this had a rejection code (R303) and a warning code (W422) applied to the rejection. While the rejection code was “Account party details do not match” (likely due to the middle names not being included in the new account name), the warning code translated to “More account parties provided than on old account mandate”.

So if Mr S had been told at this point that he would have been unable to switch his sole account as part of the CASS to his external joint account, then this would have mitigated a lot of the inconvenience and distress that Mr S later faced. The reality is, that as Chase don’t have the functionality to complete Mr S’ switch as he wanted it to be completed, then changing his external account to include his middle names, or closing his savings account with them, would have made no difference.

Mr S was inconvenienced to close his savings account with Chase, which he’s told us he didn’t want to do this because of the high interest rate, but he reluctantly did this in order to facilitate the switch to his external account, after being told there was no alternative by Chase.

Even though Mr S closed his savings account and he applied for the switch again, this was

rejected, and he was told to ring Chase. But again, Chase missed the opportunity to inform Mr S of their switching procedures. So not only was he inconvenienced to have to ring them, but it was also explained the reason for the rejection was that his name didn't match on both accounts. But while this may have been true, even if the names did match, the switch couldn't proceed based on their procedures, unbeknownst to Mr S at this point. Mr S says he told Chase the name would be different because of his wife being on the new account, but Chase still didn't tell him about their procedures.

Instead, Mr S says he was told to just include his name on the switch application. But I'm persuaded that it would have been likely that this would have been rejected even if Chase did have the functionality to switch a sole account to a joint account due to the accurate and full information (about his wife being a joint account holder on the new account) not being provided.

Mr S was further inconvenienced to speak to his building society and then Chase for long periods of time where it was discovered that his middle names were on his Chase account and not his external account. But again, Chase missed another opportunity to let Mr S know about their switching procedures.

So Mr S was then inconvenienced by having to change the name on his external account. But as it was a change of name, he was inconvenienced to have to provide identification, face to face at a branch of the external building society he wanted his account switched to. If Chase had told Mr S about not being able to switch a sole to joint account, then he wouldn't have needed to waste his time visiting a branch, which ultimately wouldn't have changed the outcome of him being able to switch his account. It was only when Mr S had travelled to the location of the external branch that he was informed of Chase's procedure.

Chase have said that they will be allowing sole to joint account switches moving forward, and work is ongoing to incorporate this change. Unfortunately they are unable to advise timescales of when this will be completed, but once it is completed, then Mr S will be able to fully switch his account via CASS without any further issue. Our service does not have the power to force Chase to complete these operational changes in a certain timeframe, but it would be reasonable for Chase to complete this as soon as they are able to, and have the controls in place to make this seamless.

So I've considered what would be a fair outcome for this complaint. Chase offered Mr S £200 for the switch incentive he lost out on as a result of them not being able to switch his account to his joint account. I'm satisfied this part of their offer is fair as they had set an expectation that all Mr S had to do was close his savings account/apply for the account just using his name/add his middle names to his external account, in order to switch.

They also paid him £50 compensation and offered him another £50 compensation for distress and inconvenience. But I'm not persuaded that £100 for distress and inconvenience is proportionate for the distress and inconvenience Mr S was caused by Chase's actions. They missed several opportunities to explain their procedures to Mr S, which would have mitigated the impact of what happened if Mr S was fully informed at the first opportunity they had.

Chase suggested a number of actions which would have never resulted in him being able to switch his sole account to his joint account. Not only did he unnecessarily close his savings account down, but he had travelled to change the middle names on his external account, and he spent a lot of time communicating with not only Chase, but with his external building society to no avail. All of this could have been avoided if Chase had explained their switching procedures at the first opportunity they had.

I know Mr S wants Chase to be suspended from the CASS until such time as they are able to offer the same service and facilities as all other participants, and furthermore, they should be reprimanded. But that is not within my powers to do either of these things.

I'm persuaded that it would be proportionate for Chase to pay Mr S a total £250 for distress and inconvenience, less anything they have already paid him (such as the £50 mentioned in their response to his complaint). I know Mr S feels £1,500 is more proportionate for what happened here, But I must explain to him that our awards are not designed to punish a business or to make it change the way they act in order to protect other customers in the future. That is the role of the regulator. We sometimes award compensation if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event.

So I'm persuaded that a total of £250 is in line with our awards for the distress and inconvenience for what happened here. And it is also fair that Chase should pay Mr S the £200 they offered to pay him (if they haven't already done so) for him missing out on the switch incentive, when they had set an expectation for him that if he did what they suggested then the switch would complete (although in reality, it would have never completed based on Chase's switching procedures). So it follows I intend to ask Chase to put things right for Mr S."

I invited both parties to let me have any further submissions before I reached a final decision. Chase accepted the provisional decision. Mr S added a couple of points in response to the provisional decision. In summary, he said it is incorrect to say that Chase don't have the infrastructure to facilitate a switch to a joint account elsewhere, as they are only passing on information. Mr S says that it's not that they can't facilitate the switch, it's that they won't facilitate the switch, which is deeply offensive and doubly annoying, therefore the compensation should be double what was proposed.

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've considered the additional points Mr S has made in response to the provisional decision. I've noted the strength of feeling he has about Chase's stance on the matter. And Mr S believes the compensation should be doubled.

While I can sympathise with the situation Mr S found himself in here, I explained in the provisional decision that *"our awards are not designed to punish a business or to make it change the way they act in order to protect other customers in the future. That is the role of the regulator. We sometimes award compensation if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event."* So I'm still satisfied that the compensation is proportionate for the impact Chase's actions had on Mr S.

In summary, Mr S' response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. If Mr S is disappointed, I hope he understands my reasons.

Putting things right

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask

J.P. Morgan Europe Limited trading as Chase to pay Mr S a total of £250 compensation for distress and inconvenience (less anything they have already paid him for distress and inconvenience), and to pay Mr S the £200 that they offered him for missing out on the switch incentive (if they haven't already done so). I'm still satisfied this is a fair outcome for the reasons given previously.

My final decision

I uphold this complaint in part. J.P. Morgan Europe Limited trading as Chase should pay Mr S a total of £250 compensation for distress and inconvenience (less anything they have already paid him for distress and inconvenience), and they should pay Mr S the £200 that they offered him for missing out on the switch incentive (if they haven't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 17 May 2024.

Gregory Sloanes
Ombudsman