

The complaint

Mr T is unhappy that J.P. Morgan Europe Limited trading as Chase restricted and closed his account without notice.

What happened

The details of the complaint are well known to both parties so I won't repeat them again here in detail. Instead I'll focus on setting out some of the key facts and on giving my reasons for my decision.

On 16 September 2023 Mr T's account was restricted by Chase. It requested information from Mr T about his use of the account, which he provided, and the restrictions were removed on 17 September 2023.

On 14 December 2023, Chase restricted Mr T's account a second time and ultimately decided to close it several months later and after the complaint had been brought to our service. The balance of the account was returned to Mr T on 26 March 2024.

Mr T complained to Chase but it said the action it had taken was in line with the terms and conditions of the account.

Our investigator considered the complaint and recommended it be upheld. They didn't feel Chase had sufficiently demonstrated why it had restricted and closed Mr T's account so couldn't conclude it had acted fairly. To put things right it said Chase should pay Mr T £150 for the distress and inconvenience caused. They also said Chase should pay 8% interest on the funds in the current account from 14 January 2024 - the date they thought Chase reasonably ought to have closed the account by - until the date the funds were released to Mr T.

Chase didn't accept the investigators findings and felt it had provided sufficient information to support its position. The complaint has been passed too me to make a final 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.

Having done so, I have decided to uphold this complaint. I'll explain why. Banks in the UK, like Chase, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an

existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Chase is under no obligation to provide an explanation to Mr T for why it restricted his accounts. But it should provide this service with enough information for us to determine it has acted fairly and reasonably in doing so.

I'm satisfied Chase has had sufficient opportunity to provide this service with information supporting its position so I'm basing my decision on the information currently available. Having carefully considered all the information it has provided, I don't think it has done enough to show it fairly put restrictions in place, in line with the terms of the account, and its wider obligations, or that it fairly closed Mr T's account.

It also appears that following the restrictions it put in place in December 2023 it didn't make the decision to close the account until several months later, in March 2024. It hasn't provided sufficient information or evidence to show that this delay was unavoidable. In delaying the decision to close the account, it withheld Mr T's money from him unnecessarily.

Mr T has said he's faced some financial difficulty because of what Chase have done. He's said he was suddenly left without access to his money and this left him in debt. He hasn't provided much more detail or information about how the situation left him in debt despite our service asking for this. And it appears Mr T did have another bank account available to him. Based on his use of his Chase account it doesn't appear he was using this for day to day expenses.

But, I accept that being left without access to an account that held his money without notice likely would've caused him distress and inconvenience and I think Chase should pay Mr T £150 in compensation for this.

I also agree that based on the limited information I have, Mr T has likely been unfairly deprived of access to his funds. So I think Chase should pay him 8% interest from the date it reasonably ought to have made the decision to close the account until the date the funds were returned to him.

Chase has confirmed the restrictions were placed on the account on 14 December 2023 and the account was under review from this date. Given the lack of information provided it's difficult to say how long it reasonably ought to have taken Chase to decide upon the closure of the account.

Taking everything into account, I think that in this case a month reasonably ought to have given Chase enough time to make the decision and arrange to close Mr T's account. So I think it should pay him 8% simple interest from 14 January 2024 until the date the funds were returned to him.

Putting things right

Chase should:

- Pay Mr T £150 for the distress and inconvenience caused
- Pay 8% simple interest on the funds in the account from 14 January 2024 until the date the funds were returned to Mr T

My final decision

I intend to uphold the complaint and direct J.P. Morgan Europe Limited trading as Chase to pay the award outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 March 2025.

Faye Brownhill
Ombudsman