

The complaint

Mr S complains that J.P. Morgan Europe Limited (operating under its Chase brand) suspended his account for more than three months without telling him why. It then closed the account.

What happened

On or about 10 November 2023 Chase suspended Mr S's account. He contacted the bank on several occasions in the following months to try to find out why his account had been suspended and when the suspension might be lifted. He also gave Chase details of the alternative account he had opened and to which he wanted funds transferred – having decided that he no longer wanted to bank with Chase in any event.

Chase said that it could not provide answers to Mr S's questions and that it could not transfer funds while the account was suspended. It acknowledged that it not returned calls to Mr S and offered him £60 compensation, which Mr S did not accept.

Mr S referred the matter to this service, where one of our investigators considered what had happened. In the meantime – on or about 20 February 2024 – Chase closed the account and transferred the funds in it to Mr S's nominated account with a different provider.

Our investigator concluded that, whilst Chase had been within its rights to suspend the account while it carried out a review, it had not explained why the review had taken as long as it had. She recommended that Chase pay Mr S £150, together with a sum of interest on the account balance to compensate Mr S for the period he had been without funds.

Neither Chase nor Mr S accepted the investigator's recommendation. Chase did not believe it had acted unfairly, while Mr S thought that the compensation recommended was too low. The case was therefore passed to me for review.

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, however, I think that the investigator's recommendation is a fair and reasonable way of resolving Mr S's complaint.

Banks are under various legal and regulatory obligations, and sometimes that means they are entitled to review accounts; in some cases, they may be obliged to do so. Generally, it is reasonable to restrict an account while it is under review. I am satisfied that Chase's decision to review Mr S's account was reasonable, and it was reasonable as well to restrict the account while that review was under way.

However, Chase has not been able to explain – either to Mr S or to this service – why its review took as long as it did. Whilst there is no specific time limit, I have not seen anything in this case which indicates that the bank's review could not have been completed by the end

of November 2023.

Mr S has explained that, because he had no access to funds, he had to borrow money, and he has described the stress and anxiety he suffered as a result of the bank's actions. I therefore agree with the investigator that he should be compensated for that and that he should receive interest on the funds which were kept from him for longer than necessary. I agree with the figures which the investigator recommended.

I note that the bank says that it closed Mr S's account when its review was complete. But Mr S had asked it to do so in any event, so I won't comment any further on the closure.

My final decision

My final decision is that, to resolve Mr S's complaint in full, J.P. Morgan Europe Limited should pay him £150, together with interest on the account balance at 8% a year simple from 29 November 2023 to 20 February 2024.

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

Mike Ingram
Ombudsman