

The complaint

Mr E complains J.P. Morgan Europe Limited trading as Chase did not immediately refund transactions made from his account which he says he did not authorise.

What happened

Mr E says his card was stolen in the early hours of 2 March 2024. Following this, several transactions debited his account totalling £569.70. Mr E says he did not make or authorise these transactions.

Mr E contacted Chase on 4 March 2024 to report his card missing and the disputed transactions. The same day Chase declined Mr E's fraud claim, saying the transactions had all been completed using Mr E's genuine card and correct PIN.

Mr E wasn't happy with this and complained to Chase. Chase looked into his complaint and said they would re-consider his fraud claim. But having done so, they still didn't agree to refund the transactions.

Mr E then referred his complaint to our service. Following our involvement, Chase agreed to refund the disputed transactions and pay him 8% interest on this amount. Mr E didn't think this was a fair resolution to his complaint since he had been caused distress and inconvenience. He also wanted Chase to cover his lost earnings during the period he was without the funds, which he estimated to be about £4,000. He said he'd been unable to work because the disputed transactions had emptied his account.

An Investigator considered Mr E's complaint. She said, in summary, she'd found through her investigation that Mr E's fraud claim had not been fully investigated at the outset and had it been, the transactions would've been refunded much sooner. She said Chase had done what we'd expect in terms of the transactions themselves by refunding them and paying 8% interest. But she did agree with Mr E that Chase hadn't handled things appropriately and this had caused him distress and inconvenience. Our investigator recommended Chase pay Mr E £150 in recognition of the distress and inconvenience caused.

Chase accepted the Investigator's findings.

Mr E didn't accept the Investigator's findings. He said £150 was insufficient because it didn't cover his loss of earnings. As Mr E didn't agree, the complaint's been passed to me to decide.

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.

Under the Payment Services Regulations 2017, generally, Chase can hold Mr E liable for the disputed transactions if the evidence suggests that he made or authorised the transactions himself.

Following our involvement, Chase has decided that Mr E isn't liable for the transactions he's disputed and has refunded them along with 8% interest on that amount. That is what I'd expect – where the customer isn't liable - Chase to do in respect of the transactions themselves, so I'm satisfied this is fair and reasonable in resolution of this part of Mr E's complaint.

I've reviewed the timeline of Mr E's fraud claim and complaint, including all the contact he had with Chase. Chase has now admitted Mr E's fraud claim wasn't handled correctly either at the outset, or when it was later reviewed. And I agree with Mr E their delay in looking into the transactions properly will have caused distress and inconvenience to him.

I've considered everything Mr E has told us about the problems the delayed refund caused him. He says this caused him to miss out on earnings of about £4,000, he couldn't pay his rent and was a stressful time for him. Mr E has provided an email chain where he turned down a work opportunity on 4 April 2024 and explained this was because of the fraud. We asked Mr E to provide some further information about his circumstances and the financial loss he says he incurred. He initially responded to say his circumstances were as he'd already told us and if he could have borrowed money from elsewhere, he would have. But he hadn't answered my specific questions.

In a second response, Mr E still didn't answer all my questions. But told us he wasn't working between the transactions taking place and 28 March 2024, when he was contacted about the work opportunity he later turned down. He said he couldn't have borrowed money from anyone and didn't have a credit card or take a short-term loan. He said he covered his living expenses between 3 March 2024 and 15 April 2024 by living with family.

Based on Mr E's responses, it seems he wasn't working anyway for a large proportion of the time he was waiting for Chase to refund the fraudulent transactions. Given the only written evidence Mr E has provided of turning down work is related to a job he wasn't contacted about until 28 March 2024, I'm not persuaded this initial period was related to the fraud itself. Mr E decided, because he still hadn't been refunded, he couldn't take up this job on 4 April 2024 with the work due to start on 8 April 2024. And, he doesn't appear to have attempted to find another way to finance any costs associated with taking up the job. I've also seen no evidence of Mr E seeking alternative employment during this period.

With that in mind, I haven't seen enough to substantiate the financial loss Mr E says he incurred, and I'm not satisfied that he took steps to mitigate that loss. So I don't find it would be fair or reasonable to say Chase should pay Mr E the £4,000 he's asked for in respect of this.

By its very nature, being the victim of fraud causes distress and inconvenience. But I haven't seen anything to suggest the unauthorised transactions taking place were because of something Chase did wrong. So I can't fairly hold them responsible for Mr E's distress and inconvenience caused by the fraudulent transactions. However, Chase has admitted they didn't follow their own process in dealing with Mr E's claim, which meant Mr E was without his money for six weeks.

We don't ordinarily compensate someone for their time at their usual hourly rate or lost earnings. And I've already explained why I haven't seen enough evidence of Mr E's financial loss to fairly say Chase should be responsible for it. Taking into account the poor service Mr E received and the length of the delay in refunding him, I find £150 fairly reflects the distress and inconvenience caused by Chase.

My final decision

For the reasons I've explained, I uphold Mr E's complaint.

To put things right, I require J.P. Morgan Europe Limited trading as Chase to pay Mr E £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 8 May 2025.

Eleanor Rippengale
Ombudsman