

The complaint

Mr D complains J.P. Morgan Europe Limited, trading as Chase, blocked his accounts without warning or explanation.

To keep matters simple, I'll refer mainly to "Chase" in my decision. Mr D says Chase's actions have caused him substantive distress and inconvenience.

What happened

The details of this complaint are well known by 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.

In June 2024, following a review Chase blocked Mr D's current and savings account. This meant Mr D had no access to his banking services nor his funds with Chase. Unhappy with Chase's actions, Mr D complained.

Chase didn't uphold Mr D's complaint. Chase told Mr D that following a review it had blocked his accounts to undertake further checks. And did so in line with the terms of the accounts. Mr D referred his complaint to this service. One of our Investigator's looked into it, and they recommended it be upheld. In summary, their key findings were:

- Chase hasn't demonstrated why it restricted Mr D's account, so they can't say its actions were fair
- So, to put things right Chase should release Mr D's funds and pay him £200 for the trouble and upset caused. Chase should also pay 8% simple interest on the funds in the current account from 12 June 2024 until they're released. And similarly apply the savings interest rate on the savings account funds until they're also released

Mr D agreed with what our Investigator said. Chase doesn't agree saying it shouldn't have to pay compensation given the concerns it holds. Chase also said it had provided sufficient information, but our Investigator didn't agree it had.

Mr D informed our Investigator that Chase had contacted it to say it was closing his accounts but would continue to withhold his funds. Our Investigator explained that if Mr D was unhappy about his accounts being closed, he would need to complain separately about that.

As there is no agreement, this complaint has 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.

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 D 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.

Having carefully considered all the information Chase has provided, I'm persuaded that it hasn't done enough to show the restrictions placed have been done fairly, in line with the terms of the account, and its wider obligations. I'm satisfied that Chase have had sufficient opportunity to do so.

Mr D has faced some financial difficulty because of what Chase have done but hasn't incurred any charges for late payment. But he did have other banks accounts he could use. Having carefully considered the impact Chase's actions have had on Mr D, I'm persuaded it should pay Mr D £200 compensation for the distress and inconvenience its caused.

I also agree that based on the limited information I have, Mr D has been unfairly deprived of access to his funds. So because of that I will be directing Chase to pay 8% simple interest from when I think it should have released the funds until it does. Similarly, it should pay the prevailing rate of interest on any savings account from the same date until settlement.

Putting things right

To put things right, Chase must:

- Pay Mr D 8% simple interest on his current account funds from 12 June 2024 until settlement*
- Pay Mr D the prevailing rate of interest on the funds in his savings account from 12 June 2024 up until settlement*
- Pay Mr D £200 compensation

* If Chase considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr D how much it's taken off. It should also give Mr D a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons above, I have decided to uphold this complaint. J.P. Morgan Europe Limited, trading as Chase, should now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 October 2024.

Ketan Nagla
Ombudsman