

## The complaint

Mr O complains that J.P. Morgan Europe Limited, trading as Chase, will not refund the money he lost as a result of an authorised push payment (APP) scam.

Mr O brought his complaint to this service through a representative. For ease of reading I will refer solely to Mr O in this decision.

## What happened

The details of this complaint are well known to both parties. So rather than repeat them all again here, I'll summarise the key points.

Mr O fell victim to an investment scam and made a number of faster payments, as set out below, to an account in his name at CoinJar. From the statements I have seen he received a monthly credit of on average £1,386 back into his Chase account between 24 January and 4 July 2023.

payment	Date	value, £
1	17/01/2023	10,000
2	19/01/2023	10,000
3	07/02/2023	1,000
4	07/02/2023	5,000
5	13/02/2023	25,000
6	14/02/2023	25,000
7	15/02/2023	25,000
8	03/05/2023	18,000
9	22/05/2023	11,000
10	24/05/2023	22,000
11	25/05/2023	1,200

Mr O believed he was sending money, via his crypto account, to a company that he told Chase he had found and researched online in order to invest. He had access to a trading platform to monitor his investments. He was in contact with the scammers until mid-August. When Mr O saw his trading account had a zero balance, and his contact had deleted their thread from the messaging app they had used, he realised he had been scammed.

He reported this to Chase and in September 2023 it rejected Mr O's refund claim saying he had not carried out due diligence before investing.

Our investigator didn't uphold Mr O's complaint. He said whilst the payments were not out of character for Mr O's account, Chase had intervened prior to processing payments 1 to 7 but Mr O had not been factual in his responses. He also explained that certain transactions to two other recipients, that Mr O's representative had said were part of the scam, were not. Mr O had confirmed this to Chase on a call.

Mr O disagreed with this assessment and asked for an ombudsman's review. He said, in summary, he cannot agree with the comments about the previous use of cryptocurrency on the account, the only time he has purchased cryptocurrency is during this scam and he wishes for all payments to be considered.

### **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 would like to reassure the parties that although I am focusing on the key points here – as our rules allow - I have read and considered everything that's been submitted. Having done so, I am not upholding Mr O's complaint. I'll explain why.

It isn't in dispute that although Mr O was tricked, he authorised these payments. At the time he made them he believed he was transferring money to a digital wallet in his name to allow him to invest in cryptocurrency. And the starting position is that banks have an obligation to follow instructions given by their customers in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in early 2023 that Chase should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

To note, as the payments here were to an account in Mr O's name the principles of the Contingent Reimbursement Model (CRM) code do not apply in this case.

It is in this context I do not find Chase can be held liable for Mr O's losses. I'll explain why but I want to first comment on the payments to that Mr O's representative is disputing Mr O said were not part of this scam. I have a copy of the relevant call transcript between the parties. And Mr O did confirm they need not be considered as they bounced back. The transaction listings on his January and February 2023 statements show this to be the case so I am satisfied there is no loss that has not been considered by this process.

Turning now to the payments that form part of the scam, there has been debate about whether the payments ought to have triggered an intervention by Chase. But this is redundant to an extent as Chase did intervene and spoke to Mr O before processing

payments 1 to 7. So what I need to decide is whether or not the interventions were adequate.

Chase spoke to Mr O on seven occasions. He was open that he was making cryptocurrency investments. From the questions it asked it learnt he had researched the opportunity himself and it was his own initiative. He said no one else was involved. He made clear he understood crypto was high risk and that there was no guaranteed return. He said the recipient account was within his sole control and no one had asked him to move the money. After Chase explained the transfers would be irreversible - and it was not a regulated or protected investment - Mr O said he wanted to proceed. Chase gave a scam warning and offered the option of waiting and doing more checks first, but Mr O said he was confident to proceed straight away on each occasion.

Mr O argues that Chase should have probed more. There were times when I think its questioning could have been more specific – however based on the available evidence I do not think this would have changed the outcome. I say this as Mr O was very certain he wanted to go ahead and he was willing to hide things from the bank. For example, contrary to what he said, there were other parties involved and he was acting on their instructions. He later told the bank the scammer had instructed him to install TeamViewer which would have been a red flag, but he did not disclose this at the time. On balance, based on the available evidence, I think Mr O would have been able to plausibly answer any other proportionate questions the bank could have posed.

Chase did not intervene in payments 8 to 11 but I do not find this to be unreasonable. By this stage it was not a new recipient account and higher-value payments had been made with no subsequent issues. Crucially, as Mr O was receiving monthly credits from the investment at this stage I think he would have remained confident in its legitimacy had there been any intervention by Chase.

It follows I do not find Chase can fairly be held liable for Mr O's losses.

I have then thought about recovery once Mr O reported the scam. As the payments were made to an account in his name, and from there he had already moved the money on to the scammer, there was no realistic prospect of Chase recovering any funds from the receiving bank.

This means I am not instructing Chase to refund any money to Mr O. This is a difficult decision to make, I'm sorry Mr O lost a considerable amount of money which was very distressing for him. I can understand why he would like to be compensated for his losses. And I do accept Mr O has fallen victim to a sophisticated scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held responsible for what happened.

For the reasons set out above I do not find Chase can fairly be held liable in the circumstances of this case. I have equally found no reason to award the £300 compensation Mr O requested.

### **My final decision**

I am not upholding Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 12 March 2025.

Rebecca Connelley  
**Ombudsman**