

## **The complaint**

Mr A complains that J.P. Morgan Europe Limited trading as Chase blocked his account and asked him to provide information. Mr A is also unhappy with the service he received from Chase.

## **What happened**

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A has a personal current account with Chase.

On 10 July 2024, a payment of £750 was made into Mr A's account from an individual I will refer to as B. Following this Chase reviewed Mr A's account. Whilst it completed its review Chase restricted Mr A's account and asked him to provide proof of his entitlement to the money he'd received from B.

Mr A told Chase that the money was from his cousin. He explained that he'd lent his cousin some money and he was now returning it. He provided a Chase with a copy of a transaction slip and records of a conversation he'd had with his cousin, to support his explanation.

Chase reviewed the information and said it wasn't sufficient to show Mr A was entitled to the money in his account. So, it continued to hold the funds. On 11 July 2024, Chase told Mr A that it wanted him to provide a bank statement from the sender, B. Mr A wasn't happy with Chase's request and said that asking his cousin for their bank statement would be embarrassing as it contained sensitive and private information. So, asking for a bank statement would put him in a very awkward position.

Chase maintained its position and asked Mr A to provide his cousins bank statement. Mr A wasn't happy and asked for a manager to call him. But Chase didn't arrange a call. Following this Mr A provided Chase with B's bank statement. Chase reviewed this and removed the block from Mr A's account on 12 July 2024.

Mr A complained to Chase. He said Chase shouldn't have asked him to provide B's bank statement as it put him in very difficult position with a family member. And Chase should have called him when he requested and not sent him long legal messages which he didn't understand.

In response, Chase apologised for any inconvenience the review and block had caused Mr A, but it said it was entitled to screen payments and review accounts where it has security concerns, which is in line with the terms and conditions of Mr A's account. So, it said it hadn't done anything wrong when it had blocked Mr A's account and asked him for information. Chase accepted that its service fell short, and that it should have arranged a manager to call Mr A. Chase offered Mr A £25 compensation for any trouble and upset not receiving the call may have caused Mr A.

Unhappy with this response Mr A brought his complaint to our service. He said Chase put him in a difficult position asking for his cousin's bank statement and should have called him back. So, the amount of compensation offered by Chase isn't enough to make up for the trouble and upset he's been caused.

One of our investigators looked at Mr A's complaint and didn't think Chase had treated Mr A unfairly when it had reviewed his account and asked him for information to show he was entitled to the money paid into his account in July 2024. The investigator also said that Chase had done enough to put things right regarding its poor customer service. So, he didn't uphold the complaint.

Mr A disagreed with the investigator and asked for an ombudsman to review his complaint. So, the matter has come 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.

I'll deal first with the block to Mr A's account. It may help to explain that Chase has important legal and regulatory responsibilities to meet when providing accounts to customers. Those obligations are ongoing and don't only apply when an account is opened. They can broadly be summarised as a responsibility to know its customer, monitor accounts, verify the source and purpose of funds, as well as detect and prevent other financial harm.

Chase will review accounts to comply with these responsibilities. It's common practice for banks and other financial service providers to restrict access to accounts to conduct a review - doing so helps prevent potential financial loss or other harm that could result. The terms and conditions of Mr A's account also make provision for this. With this all in mind, I've considered the basis for Chase's decision to block and review Mr A's account and having done so, I find this was legitimate and in line with its legal and regulatory obligations. So, I can't say Chase have done anything wrong when it decided to review Mr A's account.

As part of their review, Chase asked Mr A for detailed information about the £750 that came into his account and where it came from – which they're entitled to do under their regulatory obligations. Having reviewed everything, I think Chase's requests were reasonable in the circumstances.

I appreciate that Mr A felt uncomfortable asking his cousin for his bank statement so that he could send it to Chase, but it is Chase who decide what information they do or do not require as part of a due diligence review - they have a duty to protect their customer's account from fraud and understand where money paid into them came from. Because of that, I can't fairly conclude Chase acted inappropriately when it asked Mr A to provide it with information about the source of funds in his account. I'm also satisfied that Chase has these processes in place in order to comply with its legal and regulatory obligations when providing accounts to customers. So, I can't say Chase have done anything wrong by asking Mr A to provide the document in order to complete this process.

I should also add that the information Chase was asking Mr A to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to its legal obligations. It's not in my remit to determine what questions Chase should ask its customers to ensure it adheres to its these responsibilities. There's no fixed set of questions or period between each customer update request, and they are usually done to reflect the changes in the economy, technology or tactics employed by criminals to commit financial crime.

Whilst Chase is entitled to restrict and review a customer's account, I'd expect them to do so in a timely manner. Mr A's account was blocked from 10 – 12 July 2024, which I don't find unreasonable. I'm satisfied that Chase were proactive in completing its review and didn't cause any undue delays. So, I can't conclude Chase treated Mr A unfairly in taking the time it did to complete its review.

Finally, Chase has acknowledged its errors in this case and agreed to pay £25 compensation in recognition of its poor service. Mr A says this isn't enough. But I'm satisfied that £25 is a fair amount of compensation and adequately compensates Mr A for the impact of Chase poor communication – not receiving a call back from a manager. I've considered Mr A's further comments. But these don't change my conclusions. So, I won't be asking Chase to do anything more to resolve Mr A's complaint.

### **My final decision**

J.P. Morgan Europe Limited trading as Chase has already made an offer to pay Mr A £25 to settle the complaint and I think this offer is fair in all the circumstances.

So, my decision is that J.P. Morgan Europe Limited trading as Chase should pay £25.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 6 November 2024.

Sharon Kerrison  
**Ombudsman**