

The complaint

Ms A is unhappy that J.P. Morgan Europe Limited trading as Chase (“Chase”) didn’t refund her after she told it she’d fallen victim to a scam.

What happened

In August 2023 Ms A made a card payment of £8,000 from her Chase account to a third party. Ms A says this payment was to hire a marquee (and associated decorations) that was due to be delivered to her in December 2023. The marquee did not arrive when expected, and Ms A says she was then unable to make contact with the company and that it had deleted its social media pages.

Ms A reported this to Chase in January 2024. Chase looked into things, but it didn’t agree to refund her. It said that there was a lack of evidence to show that Ms A had been scammed and noted that Ms A had initially told it that the payment was unauthorised before stating that it had actually been a scam. Chase also said that Ms A had not done her due diligence when making the payment.

Ms A wasn’t happy with Chase’s response and so she referred her complaint to this service. Our Investigator reached the same overall conclusion as Chase, they did not think that there was adequate evidence to show that Ms A had been scammed and so didn’t think Chase needed to refund her losses.

Ms A disagreed with the Investigator’s view and so the complaint has been passed to me to 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.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer’s account. Ms A authorised this payment and so she is presumed liable at first instance.

However, that isn’t the end of the story. Good industry practice required that Chase be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. On spotting such a payment, I’d expect it to intervene in a manner proportionate to the risk identified.

None of those expectations is applicable where there is no evidence of fraud or a scam, so the first question I need to consider is whether Ms A is the victim of a scam. The answer to that question turns on the intentions of the individual she paid – in other words, did they intend to scam her from the outset? I can’t know for certain what their intentions were, so I have to look at what the available evidence shows and infer what their intentions most likely were in the light of that evidence.

Unfortunately, the available evidence here is really very limited. Ms A has provided an invoice and has said she did not receive the goods she paid for. But there is little information available about the company she paid, other than that Ms A has said she and people she knew had dealt with that company before and had received the paid for services on those previous occasions. If anything, this suggests that the marquee company was – at some stage at least – a legitimate company which did provide services and was not acting fraudulently. So, it is entirely plausible that some other issue – such as personal problems or financial difficulties – led to it being unable to provide Ms A with the goods and service she had paid for.

Ms A also hasn't been able to provide us with any copies of correspondence between her and the company she paid regarding what her specific agreement was with the company. Depending on the details, she might have a civil claim for breach of contract against the company she paid. But that doesn't entitle her to have her losses refunded by the bank.

I don't say any of this to downplay or diminish the fact that Ms A appears to have lost out here, and I acknowledge that she is going through a very difficult time financially. But there are many reasons, other than fraud, why a business may be unable to provide the services it has promised. A business may act unprofessionally but still be carrying out legitimate business, or it may get into financial difficulties and be unable to meet its commitments. And this service isn't in a position to forensically analyse what happened here; we must consider the evidence that is before us. And, in doing so, I've not seen persuasive evidence that Ms A has been scammed.

I know this will be a huge disappointment to Ms A, but for the reasons I've explained above, I do not consider that it would be fair to hold Chase responsible for the money Ms A has lost, so I won't be asking it to refund that loss to her.

My final decision

For the reasons I've set out above, I don't uphold this complaint.

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

Sophie Mitchell
Ombudsman