

The complaint

Mr O has complained J.P. Morgan Europe Limited, trading as Chase, did nothing to intervene and stop payments he made which turned out to be part of a visa application scam.

What happened

In 2023 Mr O was given a contact from a former colleague to help him with his visa application and certificate of sponsorship which he was going to need to stay in the UK after his previous visa expired.

Mr O contacted this individual and ended up making three payments between 20 December 2023 and 30 January 2024. These three payments were for £5,500, £3,000 and £1,820.

As Mr O tried to make the first payment, Chase intervened and asked Mr O who he was paying and why. Mr O confirmed he was paying a friend back money that had been lent to him. He confirmed this was someone he knew and that there would be further payments.

Mr O didn't get what he thought he was paying for and realised he'd been the victim of a scam. He contacted Chase in March 2024, and they immediately contacted the recipient bank. £4.99 had been left in that account which was returned to Mr O by Chase.

Chase confirmed they believed they'd taken appropriate action by warning Mr O about potential scams. They also pointed out they'd told Mr O that if he'd misled them or not taken appropriate action himself to check who he'd been dealing with, then he should be aware Chase wouldn't refund him.

Mr O's representatives brought his complaint to the ombudsman service.

Our investigator confirmed he wasn't going to ask Chase to refund Mr O. He felt Chase had intervened and asked Mr O relevant questions. However, it was clear Mr O had deliberately misled Chase about what was going on so he couldn't see how Chase could have prevented what happened.

Mr O has asked an ombudsman to review his complaint.

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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

Mr O was scammed and has lost a considerable amount of money. He has my sympathy

about what he has gone through.

There's no dispute that Mr O made and authorised the three payments totalling £10,320 from his account with Chase to an individual that he'd newly set up to pay.

I'm satisfied the disputed transactions were authorised under the Payment Services Regulations 2017

Our starting point is that banks are required to follow their customer's instructions. But, taking into account relevant law, regulators 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 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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.

I'm satisfied that Chase ought to have recognised that these payments carried a heightened risk of financial harm from fraud. These did seem sufficiently out of character when considering Mr O's use of his Chase account. Therefore, a proportionate response to that risk would have been for Chase to have intervened.

It is clear from the evidence submitted to our service by Chase that they intervened during the payment journey for the first payment of £5,500 as I'd have expected them to do. They contacted Mr O for further information. He told them he was making a payment to a friend, who he knew and had met. This payment was to repay a loan and he expected to make further payments. Mr O was warned about potential scams but confirmed he was happy to make the payment and was aware that if this turned out to be a scam, he'd be unlikely to get any money back.

It is clear from this that Mr O lied to Chase, so I find it difficult to suggest they should have done more to unravel what was going on. Mr O had decided to mislead them, so I'm not convinced they'd have been able to find out more with further questioning.

What is also clear from Mr O's own testimony is that he'd done no research of his own into whether the person he was paying was really able to provide the service he believed he was buying. I appreciate he'd been given a recommendation by a former colleague, but I think

further research on for example the government's own website that covers this issue – and warns of scams – would have been a step he could have easily taken.

I'm aware Chase didn't intervene in the later payments. But based on what I've said above about Mr O misleading them, I'm not convinced since these payments went to the same destination that this would have made any difference to the actions Mr O took.

As soon as Mr O contacted Chase to tell them he thought he'd been the victim of a scam, their evidence shows they contacted the recipient bank immediately. Only £4.99 was available but this was recovered and paid into Mr O's account.

Taking all the circumstances of this complaint into consideration, I don't think it would be fair and reasonable to ask Chase to refund Mr O.

My final decision

For the reasons given, my final decision is not to uphold Mr O's complaint against J.P. Morgan Europe Limited, trading as Chase.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 14 February 2025.

Sandra Quinn
Ombudsman