

## **The complaint**

Mr P complains J.P Morgan Europe Limited trading as Chase unfairly handled his chargeback claims and closed his account.

## **What happened**

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mr P contacted Chase in May 2024 asking to raise chargeback claims for purchases he made in April 2024. There were six transactions in total and Mr P explained he had not received the goods purchased.

Mr P asked Chase for an update in late May 2024 and is informed the chargeback claims have been closed down. Mr P was informed they can't be reopened, and Mr P raised a formal complaint. Chase reviewed Mr P's complaint and informed him in June 2024 that his chargeback claims would not be looked taken further and his account would close in two months' time. It paid Mr P £100 in compensation for poor service, as it didn't inform M P of its decision not to pursue the chargeback claims.

Mr P remained unhappy with Chase's handling of his account and referred his complaint to our service. An Investigator reviewed his concerns and in summary, made the following findings:

- Chase's decision not to pursue the chargeback claims was reasonable based on the information it had and the scheme rules.
- The decision to close Mr P's account was fair and in line with his account terms and conditions.

Mr P remained unhappy and maintained Chase had acted unfairly. As no agreement could be reached, the case has been referred to me – an ombudsman – for a final decision.

## **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 appreciate Mr P was disappointed by the investigator's opinion. I'd like to reassure Mr P that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Chase

has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr P, but I'd like to reassure him that I have considered everything that he's told us.

I will deal with each key aspect of Mr P's complaint in turn.

### *Chargeback*

Mr P used his debit card to make the purchases in April 2024. Whilst there are some protections under the relevant chargeback scheme, there isn't a guarantee of a refund.

The chargeback process is voluntary and run by the card scheme whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them. Such arbitration is subject to the rules of the scheme - so there are limited grounds on which a chargeback can succeed or be deemed a 'valid claim'. Our role in such cases is not to question the card scheme rules, but to determine whether Chase has acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of Mr P.

I can see Chase gathered information from Mr P about his purchases and interactions with the merchant. Based on the responses received to its queries, Chase decided there was no entitlement to a refund as set out in the chargeback regulations. Mr P strongly believes he met the necessary criteria for a refund. However, declining to pursue the claim is a decision Chase is entitled to make, in light of the chargeback rules and evidence provided. Looking at the information provided, I think Chase took the appropriate steps to pursue the chargeback on behalf of Mr P and I think Chase reached the decision not to refund the amounts to Mr P fairly.

I can see Mr P spent a time asking Chase for an update on his chargeback claims. Chase has paid Mr P £100 in compensation for poor communication. I have considered this compensation, and I think it accurately reflects the impact Chase's failure to explain it wouldn't be pursuing the chargeback had on Mr P. So, I don't think Mr P needs to be compensated further.

### *Account closure*

Chase is strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. They're also required to carry out ongoing monitoring of new and existing relationships. In Mr P's case the review of the account by Chase as a result of the chargeback claim led to its ultimate decision to close Mr P's account.

The terms and conditions of Mr P's account set out that the bank can close the account by providing 60 days' notice. Mr P was provided with the full 60 days' notice, which provided him with the opportunity to make alternative arrangements for his banking needs.

I can see Mr P used his Chase account regularly and he feels the closure is unfair. As noted above, this service has received information in confidence, which I am unable to share with Mr P. I must also highlight that Chase is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Chase should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene.

Based on the evidence I've seen I am satisfied Chase has closed Mr P's account for fair and proper reasons. Chase is under no obligation to tell Mr P the reasons it no longer wants him as a customer, and it wouldn't be appropriate for me to require it do so.

I know this will not be the outcome Mr P was hoping for and he will be disappointed with the decision I've reached. However, I hope it provides some clarity around why I won't be asking Chase to take any further action or compensate Mr P.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 November 2024.

Chandni Green  
**Ombudsman**