

The complaint

Mr L complains J.P. Morgan Europe Limited – who I'll refer to as CHASE throughout the rest of this decision – didn't do enough when he fell victim to an investment scam.

What happened

Mr L has an account with CHASE that he opened in May 2023. He says he opened the account at the beginning of this scam at the suggestion of the scammer. He has an account elsewhere with a business who I'll refer to as "F".

Mr L says he was looking to make additional money – to help with family related expenses – when he came across an advert on social media seemingly endorsed by a well-known figure. He clicked on a link in that advert and was contacted by someone claiming to work for a company trading in cryptocurrency. Having gained his trust, Mr L says the person he was speaking to asked him to download remote access software and to open an account with CHASE. He says they then encouraged him to take out loans – as he only had £1,000 in savings – saying that he'd be able to repay these loans through the returns he'd make on his investment. He was, in fact, speaking to a scammer.

Mr L says that he realised he'd been scammed when he was told he'd have to pay another £10,000 in order to withdraw his trading balance – at this point he spoke to a family member. He contacted CHASE, F and other companies that the scammer had arranged loans from.

CHASE looked into Mr L's claim and said that it wouldn't be able to recover any of Mr L's money, but that it could have done more when Mr L made his first two payments towards the scam. Because of this CHASE agreed to refund those two payments, totalling £11,000. CHASE said it wouldn't be refunding the remaining amounts that Mr L had lost saying that it had intervened on those payments and given appropriate warnings and he'd nevertheless decided to go ahead. Mr L was unhappy with CHASE's response and complained to us.

One of our investigators looked into Mr L's complaint and said that they didn't think it would be fair to ask CHASE to do more. So, they didn't recommend that his complaint be upheld. Mr L said that CHASE hadn't refunded 100% of his money because it didn't believe he'd been scammed and had insinuated that he'd deliberately given money to scammers. He said the scam had seriously affected his mental health. He was unhappy that our investigator hadn't mentioned the Contingent Reimbursement Model and said that other people who had been scammed were getting reimbursed but he wasn't. He asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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 can see that Mr L had a lot of difficult challenges to deal with at the time that this scam took

place and that helping his family was what motivated him to become involved with the company he did. Based on everything I've seen, it's also clear he's been the victim of a scam. It's clear that this has left him in a very difficult situation and has had a considerable impact on his physical and mental health. I'm also satisfied, based on everything I've seen, that CHASE has accepted that he's been the victim of a scam, and hasn't said that he deliberately gave his money away. Mr L was tricked into making payments – what CHASE has, in effect, said was that even though it warned him that he might be at risk of being scammed the scammer had tricked him to the extent that there was nothing they could do to break that spell. That can happen.

CHASE has accepted that it should have flagged the payments Mr L was making earlier on in this scam and has refunded those payments. So, I'm going to focus on what happened when CHASE intervened.

I've listened to the intervention calls between CHASE and Mr L and having done so I agree that there was nothing more CHASE could have fairly been expected to do to stop this scam. That's because I can see agents tried to warn Mr L – in clear terms – that he was at risk and at the time he was happy to go ahead. In the circumstances, I agree that CHASE didn't fail to prevent Mr L's losses and so can't fairly be asked to refund. It's clear in this case that Mr L was under the scammer's spell. In short, I agree with the outcome our investigator reached.

My final decision

My final decision is that I'm not going to require J.P. Morgan Europe Limited to do more in this case. In other words, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 November 2024.

Nicolas Atkinson
Ombudsman