

The complaint

Ms K complains that J.P. Morgan Europe Limited trading as Chase (Chase) is refusing to refund her the amount she lost as the result of a scam.

Ms K is being represented by a third party. To keep things simple, I will refer to Ms K throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Ms K has told us that she received a text message from what appeared to be a well-known delivery company asking her to reschedule a delivery for which there would be a fee to pay. Ms K clicked in the link and completed the information as requested.

Ms K later received calls from what appeared to be several of her banks including Chase and she was told her accounts had been compromised and that she would have to move her funds to an account she held elsewhere, and then forward those funds to a safe account to keep them safe.

Concerned she was going to lose her money Ms K followed the instructions she was given. However, once she moved the funds they were lost to the scam.

Ms K made the following payment from her account with Chase:

<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
5 December 2023	Ms K	Transfer	£6,635.34

Our Investigator considered Ms K's complaint and didn't think it should be upheld. Ms K disagreed, so this complaint has been passed 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.

It has not been disputed that Ms K has fallen victim to a cruel scam. The evidence provided by both Ms K and Chase sets out what happened. What is in dispute is whether Chase should refund the money Ms K lost due to the scam.

Recovering the payment Ms K made

Ms K made the payment into the scam via transfer. When payments are made via transfer Chase has limited options available to it to seek recovery. Chase could contact the operator of the receiving account and request a refund of any funds that remained. But the account Ms K sent the funds to, was an account in her own name. So, if any funds did remain in that

account they would remain within Ms K's control. Ms K has also confirmed these funds were then sent from her other account to the scammer.

With the above in mind, I don't think Chase had any reasonable options available to it to recover the payment Ms K made in relation to the scam.

Should Chase have reasonably prevented the payment Ms K made?

It has been accepted that Ms K authorised the payment that was made from her account with Chase, albeit on the scammer's instruction. So, the starting point here is that Ms K is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Chase should have been aware of the scam and intervened. And if it had intervened, would it have been able to prevent the scam taking place.

Ms K made the payment to an account in her name at another provider. Ms K had previously set up the recipient account as a payee on her Chase account several months earlier. So I don't think it was unreasonable that Chase didn't recognise a risk, or intervene when Ms K made this one-off large payment to the account.

As I don't think Chase was required to intervene when Ms K made the payment it is not responsible for her loss.

Ms K has further said that the payment in dispute should be covered under Chase's refund protection policy. But this policy does not cover payments made to an account in a customer's own name. As the payment Ms K made from her Chase account went to an account in her own name it is not covered under this policy.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 21 February 2025.

Terry Woodham
Ombudsman