

The complaint

Mr O complains that J.P. Morgan Europe Limited suspended and then closed his accounts without explaining why.

What happened

Mr O held a number of accounts with Chase. They were in his name, but with denotations suggesting they were used for different purposes.

In December 2023 Chase told Mr O that it was carrying out a review of his accounts. Mr O says he was told that would be completed within 48 hours. In fact, the review was not completed within that timeframe, and on or about 11 January 2024 the accounts were suspended. Mr O was unable to use them or to access them.

When Mr O complained about what had happened, Chase said that it was continuing its review and that, in doing so, it was acting in line with its legal and regulatory requirements and in line with the account terms.

On 29 February 2024 Chase wrote to Mr O to tell him that it would be closing his accounts. The following day, 1 March 2024, it did so and transferred funds in the accounts to Mr O's nominated account with a different bank.

Mr O referred the matter to this service, where one of our investigators considered what had happened. She did not believe that Chase had acted fairly and recommended that, to resolve matters, it pay interest at 8% on the account balances for the period of the suspension, together with £200 in recognition of the distress caused and the inconvenience to which Mr O had been put.

Mr O accepted the investigator's recommendation, but Chase did not. It asked that an ombudsman review the case, but did not provide any further evidence or arguments for the ombudsman to consider.

I considered what had happened and, because I thought it likely that I would reach a different conclusion from the investigator, issued a provisional decision, in which I said:

Banks are generally entitled to review customers' accounts, and I note that Chase's account terms provide for that to happen. In some cases, banks may be under a legal and/or regulatory duty to carry out a review.

Where an account is placed under review, it may sometimes be appropriate to restrict a customer's access to it, or even to suspend the account completely. Again, that might be a legal or regulatory requirement, depending on the circumstances.

Further, it is generally for banks to decide whether to provide, or to continue to provide, account services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this service won't usually intervene. They don't necessarily have to provide details of the reasons for closure.

I have considered what happened here with those general principles in mind. In doing so, I have considered all the evidence – including some which Chase has provided in confidence, as our rules allow. Having done so, I am satisfied that Chase acted in line with its account terms and conditions when it suspended and then closed Mr O's accounts. I believe too that, even though the account review took longer than Mr O says he was told it would take, the timescale was not unreasonable in the circumstances.

I am satisfied too that Chase was within its rights to close Mr O's accounts and that it was legitimate to do so immediately.

Chase said that it had nothing to add. Mr O did not reply to my provisional decision by the deadline of 3 October 2024.

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.

As I have received nothing substantive in response to my provisional decision, I do not believe there is any good reason to change my view about how Mr O's complaint should be resolved. I stress that, in saying that, I have reviewed all the evidence and arguments afresh before reaching this final decision.

My final decision

For these reasons, my final decision is that I do not uphold Mr O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 25 November 2024.

Mike Ingram

Ombudsman