

The complaint

Mr S is unhappy that J.P. Morgan Europe Limited, trading as Chase, didn't apply a gambling transaction block to his account.

What happened

Mr S contacted Chase on 10 February 2024 and complained that Chase had allowed him to undertake a series of gambling transactions on his account and hadn't intervened to prevent him from doing so.

In response, Chase explained that they monitored accounts for potential fraud but that the transactions that Mr S had made weren't considered suspicious by them and so had been allowed to complete. And Chase also noted that they'd provided information to Mr S on how he could set up a gambling transaction block on his account, but that Mr S hadn't done this. Mr S wasn't satisfied with Chase's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Chase had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr S remained dissatisfied, so the matter was escalated to 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 issued a provisional decision on this complaint on 6 November 2024 as follows:

Mr S is unhappy that Chase didn't recognise that he might be making a series of gambling transactions before he contacted them on 10 February. However, it wouldn't generally be expected that a bank would monitor an account in the manner that Mr S appears to have wanted here. And this is especially the case when a bank has had no prior indication from its account holder that they were unhappy about being allowed to make gambling transactions.

However, when Mr S contacted Chase on 10 February via online chat, I feel that it was evident at that time that Mr S did want a gambling transaction block to be applied to his account, and I note that Mr S made reference in that chat to a specific merchant that he was making gambling payments to and about which he was unhappy.

It's important to note that gambling blocks are provided by banks such as Chase on a voluntary basis. And there is no obligation on banks to provide such blocks, although it is generally considered to be 'best practice' for them to do so.

When merchants transact with a bank, they supply a 'merchant code' which provides information about the activities of that merchant. Gambling blocks work by not allowing transactions to take place to merchants whose merchant code is a gambling related code.

In this instance, the specific merchant Mr S was unhappy about wouldn't have been covered

by Chase's gambling block, because the merchant code used by that merchant isn't a gambling related code. Notably, banks have no control over the merchant codes used by merchants. This is something that the merchants themselves decide.

Furthermore, Chase have confirmed that they don't have the facility to place a transaction block on a specific merchant, and there is no obligation on Chase to provide such a facility.

All of which means that there was no mechanism available to Chase to have blocked Mr S from making payments to the merchant that he was unhappy about, even had Chase actively looked into this matter for Mr S during the online chat that took place on 10 February.

I note that during that chat, Chase did explain to Mr S how he could apply the gambling block himself. But as discussed above, if Mr S had followed Chase's instructions at that time and applied the gambling block to his account, it wouldn't have prevented him from making further payments to the merchant in question, because that merchant wouldn't have been covered by the block. This is unfortunate for Mr S, but in consideration of all that I've explained above, I don't feel that it was unfair.

However, while Chase's agent on the 10 February chat did explain to Mr S to how he could apply a gambling block to his account, I feel that it's clear from the chat that Mr S was effectively asking Chase for help, and I feel that Chase's agent should have recognised this and that they could and reasonably should have done more.

Specifically, I feel that the agent should have applied the block to Mr S's account themselves and checked the merchant code of the specific merchant that Mr S was unhappy about to check whether that merchant would be covered by the block. I also feel that Chase's agent should have confirmed to Mr S that the merchant wouldn't be covered by the block and that there was no facility available on the account to prevent Mr S from making future payments to that merchant. Finally, I feel that Chase's agent should have given Mr S information about gambling addiction charities which might have been of use to Mr S.

Chase may argue that my expectations here, as described above, don't align with what they expect of their agents. But where a customer has made an effective cry for help, as I'm satisfied that Mr S did here, I feel that there is a duty on banks in regard to consumers whereby the bank should fairly and reasonably be expected to provide whatever help they can provide – even if they aren't able to provide the specific help that the consumer wanted.

I don't think that Chase's agent did that here. And I feel Mr S experienced a degree of upset and frustration because of this that he reasonably shouldn't have, had he been more appropriately informed and assisted by Chase. And because of this, I'll be provisionally upholding this complaint in Mr S's favour and instructing Chase to pay £100 to Mr S as compensation for the trouble and upset that I feel he's unfairly incurred.

In taking this position, I've considered the impact on Mr S of his not being correctly informed by Chase about the limitations of Chase's gambling block, and I've also considered the general framework this service uses when assessing compensation amounts, details of which are on this services website. And, having done so, I feel that £100 is a fair compensation amount.

However, I won't be instructing Chase to reimburse any of the payments that Mr S made to gambling companies as Mr S would like. And this is because, as explained, there was no facility available to Chase that would have enabled them to block the payments Mr S was making to the merchants and about which he is now unhappy.

Neither Mr S nor Chase responded to my provisional decision. As such, I see no reason not to issue a final decision whereby I uphold this complaint in Mr S's favour on the limited basis as described above. And I therefore confirm that my final decision is that I do uphold this complaint on that basis accordingly.

Putting things right

Chase must pay £100 to Mr S.

My final decision

My final decision is that I uphold this complaint against J.P. Morgan Europe Limited, trading as Chase, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 20 December 2024.

Paul Cooper
Ombudsman