

The complaint

Mr L complains about the actions taken by J.P. Morgan Europe Limited trading as 'Chase' and the service it provided when he wanted to make a large transfer.

What happened

In October 2024, Mr L wanted to transfer a five-figure amount from his Chase account to a family member, whom I'll call 'N'. The money was intended as a gift. Mr L had successfully transferred a smaller amount to N from his account the previous day, using the bank details provided by N in an email. When he attempted to send the full balance of the gift, Chase told Mr L that this would exceed the daily transfer limit on the account. Chase offered the option of increasing the account daily limit but explained this couldn't be done until the next working day.

Mr L decided to split the balance he wanted to send into two five-figure payments and send these separately over the course of the next two days.

When he initiated payment via his Chase mobile banking application ('app'), Mr L received a message via the app asking him to contact Chase – which he did.

Chase asked Mr L to answer some questions about the transaction he wanted to make. Mr L hadn't at that stage spoken direct to the payee to confirm the account details and so the initial payment attempt was cancelled to allow Mr L to do this first.

When Mr L called again to arrange the transfer, there followed a series of phone calls over two days whilst Chase attempted to complete its fraud and security checks. Ultimately, Mr L wasn't able to satisfy Chase that it was safe to authorise the payment and Chase declined to complete the transaction.

When Mr L complained, Chase told Mr L his transfer had triggered verification checks and its screening process was how it carried out due diligence on customers' accounts. Chase said this was to ensure customers were sending money to the intended account and talking to the right person by validating the details through speaking to them personally on the phone.

Mr L didn't feel that Chase had properly addressed his concerns. He said his calls had been passed around a number of different staff and he'd been on the phone over one hour on the first day and spent further time on the phone the next day – only for his payment request to be refused. He had subsequently transferred his money to his account at another bank and made the payment he wanted to make to N out of that account, and a similar large payment to another family member – without any difficulty. He felt Chase's service compared very unfavourably with his experience elsewhere.

When Mr L brought his complaint to us, our investigator didn't think that Chase had done anything wrong. She thought that Chase had acted appropriately and in line with its responsibilities to prevent fraud or financial crime.

Mr L disagreed with the investigator's view. He mainly said that being kept on the phone for a total of over one hour was unacceptable, particularly as payments were processed satisfactorily by his other bank. And he felt the investigator had included contradictory information in her view which warranted further explanation.

Mr L asked for an ombudsman to review his complaint, so it 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.

This includes listening to the call recordings provided.

Having done so, I've decided not to uphold Mr L's complaint. I'll explain why.

My role is to consider the evidence presented by both parties and reach what I think is an independent, fair and reasonable decision based on the facts of the case. I must be impartial. In order to uphold Mr L's complaint and award the redress he is seeking I would have to find that Chase made an error or acted in a way that wasn't fair and reasonable and this led to Mr L suffering financial loss or some other detriment. So I've looked at what happened with this in mind.

I appreciate that Mr L feels strongly that Chase had no good reason to refuse to process his payment request when he had carried out his own security check and he was completely satisfied that the money was going to the intended recipient. But Chase can't simply rely on Mr L approving proposed payments. I must take into account that Chase has legal and regulatory obligations imposed by the Financial Conduct Authority ('FCA').

This means that Chase has to have processes in place to help ensure it takes reasonable steps to keep customers' money safe. So I can't fairly say that Chase made any error here when its internal systems flagged the proposed transfer for security checks.

Nonetheless, Chase still needed to act in a fair and reasonable way towards Mr L. I've thought carefully about this.

Chase has explained that the information it asks for helps it to keep customers' money safe. I completely understand Mr L's frustration at what happened. But I can also understand why, from Chase's point of view, it had grounds for valid concerns about whether it could safely approve the payment Mr L wanted it to make, especially having regard to the substantial sum involved. Chase's terms and conditions, which Mr L would've signed up to in order to be able to use the account, allow it to withhold payment in these circumstances.

A payment to a fraudster or scammer cannot necessarily be recovered – Chase explained that it wouldn't be able to help Mr L get his money back if it went to a scam account. It's unfortunate that Mr L spent such a long time on the phone to Chase and he still wasn't able to complete the transfer. But it's up to Chase to decide how it meets its regulatory obligations. And despite spending a long time on the phone, Chase wasn't satisfied that Mr L's money wasn't at risk. Bearing all this in mind, I think Chase acted fairly and reasonably when it applied bank policy and declined to make the payment Mr L wanted to send.

I'm sorry that this was such an upsetting experience for Mr L. I can completely understand that this was a frustrating thing to happen when he was entirely confident that the transaction

was secure and that payment would go to the intended recipient's account. I think it's regrettable that Chase didn't call Mr L back when it said it would and that he was put through to a number of different call handlers, resulting in some delay and repetition. But that's not enough to affect the outcome here. I haven't seen enough overall to be able to uphold his complaint.

Banks have an obligation to take steps to keep customers' accounts and money safe. Sometimes this can mean the bank identifies and blocks legitimate payments that a customer wants to make. Understandably, this can cause distress and inconvenience to a customer – but it doesn't necessarily mean the bank has acted incorrectly or unfairly.

The fact that Mr L's other bank processed the same transaction (and another similar large payment) differently isn't a reason for me to uphold this complaint about Chase, for all the reasons I've set out above.

And to be clear, even if I were to uphold his complaint, I don't have power to tell Chase to do things the same way as Mr L's other bank, as he would like me to do. How businesses choose to operate and their internal processes come under the oversight of the regulator - the FCA.

I hope that setting things out as I've done helps explain how I've reached my conclusions and even though this isn't the outcome Mr L hoped for, he will at least feel that the Financial Ombudsman Service has fully considered the complaint.

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 L to accept or reject my decision before 28 January 2025.

Susan Webb
Ombudsman