

The complaint

Mr S is unhappy that J.P. Morgan Europe Limited, trading as Chase, will not refund all of the money that he lost as the result of an authorised push payment (APP) scam.

Mr S brought his complaint to this service through a representative. For ease of reading I will refer solely to Mr S in this decision.

What happened

As both parties are familiar with the details of the scam I will not repeat them in full here. In summary, Mr S fell victim to a cryptocurrency investment scam. He had seen an advert on social media for an opportunity that was endorsed by three high-profile individuals. After submitting his details he was contacted by one of the scammers and guided through how to invest through firm 'S'. This included opening this account with Chase. Mr S had access to a portal to allow him to track his investment. He made the following faster payments from his Chase account after having paid in funds from his primary bank:

payment	Date	Value
1	05/03/2024	£5,000
2	17/04/2024	£10,000
3	25/04/2024	£15,000

Mr S realised he had been scammed when he was asked to deposit significant funds into a custody wallet - after already paying the £15,000 as a 'verification fee'. He was told he had to do this before he could withdraw any of his invested funds.

Mr S says Chase failed to protect his money. It may have spoken to him at the time of each payment, but its interventions were not in line with industry standards. Had they been, he believes the scam would have been exposed and his financial loss would have been prevented.

Chase accepted that its agent who spoke to Mr S at the time of payment 1 could have better probed the purpose of the payment. But it said the calls for payment 2 and 3 met the required standard. It refunded 50% of payment 1 to Mr S saying he should share the liability as he had failed to carry out enough checks before sending the money.

Our investigator did not uphold Mr S's complaint. He said that Chase and Mr S discussed each of the payments before they were processed. And Mr S provided misleading answers to questions and ignored the warnings against scams. So he did not agree Chase needed to refund any more money to Mr S.

Mr S disagreed and asked for an ombudsman's review. He said Chase should be held liable for his losses as its intervention on payment 1 was not effective. He outlined all the failings on the first call (in summary – it only focused on safe account scams, the questions were not open and probing, the way he was using this new account did not make sense yet this was not picked up on, and his lack of technical ability made him vulnerable which was evident but

ignored). He argues a better call would have stopped the whole scam.

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 have reviewed all of the points made in Mr S's submissions carefully. But in keeping with our role as an informal dispute resolution service – and as our rules allow – I will focus here on the issues I find to be material to the outcome of his complaint.

In broad terms, the starting position at law is that a bank such as Chase is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. And it is not in dispute here that Mr S authorised the three payments.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that in March and April 2024 Chase should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

It is in this context I do not find Chase can be held liable for Mr S's remaining losses.

All three payments were flagged by Chase's fraud prevention system and Mr S was asked to contact it. I have listened to each of these calls.

The parties are in agreement that the call at the time of the first payment was not good enough. I would agree as at times the agent failed to respond appropriately to what Mr S was saying and thus allowed the call to progress with either incomplete or inconclusive information. However, I need not comment further on this as the inadequacy of this call is not in dispute. Chase decided to refund 50% of this payment as a result. I will comment later on its deduction for contributory negligence.

But first I want to address why it cannot be assumed a better intervention would have prevented the entire scam, as Mr S argues. There needs to be due consideration of what would most likely have happened had Chase made a better intervention. In the circumstances of this case there are the two subsequent calls to inform this finding. And overall I do not agree Chase can be held liable for Mr S's remaining losses. I'll explain why.

On calls two and three Chase asked sufficient questions to understand the basic context of the payment as I would expect. It asked about the purpose (Mr S said home improvements) and from there asked how the tradesman had been sourced, whether the work was complete and satisfactory, how Mr S had obtained the account details for the tradesmen, and what documentation was involved. It asked if he had been told by anyone not to be truthful to his bank, or if he had used any screen sharing software. It asked why he had opened this Chase account recently. It offered the option to go away and read more about common fraud and scams before progressing.

Mr S responded convincingly to all these questions. He created two elaborate tales of home improvement works, with lots of plausible details right down to describing the tradesmen, how long the jobs had taken and the ten-year guarantee for the new hot tub. And he credibly said he'd opened the account on his daughter's recommendation for the cashback scheme.

On call three, despite Mr S's answers and intention to mislead, Chase gave a specific cryptocurrency investment warning, describing how scammers often give victims access to fake platforms (as was the case here). But without hesitation Mr S told the bank he was too old for that sort of thing. And opted to progress with the payment.

It follows I do not find a better intervention at the time of call one would have prevented the entire scam. The interventions on the subsequent calls were proportionate and Mr S went ahead. He chose to incorrectly answer all Chase's questions, and in a persuasive manner. I don't disagree with Mr S that the fraud itself had many of the hallmarks of a cryptocurrency investment scam but he did not share any of these with the bank to allow it identify the red flags and act accordingly. From the messaging he has shared between the scammer(s) and himself I cannot see he had been coached to do so either.

Mr S also raised that the bank focused on safe account scams. Whilst I would expect Chase by this date to provide tailored warnings based on specific scam risks, this is dependent on the information the accountholder discloses and how the bank's questions are answered. Here Mr S's replies prevented the nature of the scam from being uncovered. That said, as I've mentioned even when it gave a crypto investment warning Mr S wanted to proceed.

He also said that his lack of technical capability made him vulnerable and this was obvious to the bank. Yet it ignored this. But I find from the calls it was more he was unfamiliar with Chase's app which would be understandable as he was a new customer. When directed by the agents he was able to navigate and successfully use the technology. So I am not persuaded Chase overlooked a clear vulnerability.

With regards to Chase's 50% reduction to the refund of payment 1, I find that to be fair. To make that finding I've considered carefully whether Mr S should hold some responsibility for his loss by way of contributory negligence. On balance, I think he should. Mr S was willing to invest based on a contact that came from an ad on Facebook with endorsement from high-profile individuals. There had been multiple warnings in the mainstream, popular media about such scams – particularly relating to the people involved here.

And in this context, it seems Mr S carried out no independent checks on the investment opportunity. He relied on the website the scammer had shown him and a lack of negative reviews online at the time. Given the amount he was investing I think Mr S ought to have done more to reassure himself that the opportunity was genuine. Overall, I'm not satisfied that it was reasonable for Mr S to proceed without doing more to verify all the information he was given.

I have then considered if Chase did what we would expect to try to recover Mr S's money once it became aware of the scam. I don't think Chase could have done more in terms of

recovering the funds. As Mr S knows they were sent on to a cryptocurrency exchange, and from there onto the scammer – so there wouldn't have been anything left for the bank to recover from the cryptocurrency account.

It follows I am not instructing Chase to refund any more money to Mr S.

My final decision

I am not upholding Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 13 June 2025.

Rebecca Connelley
Ombudsman