

## **The complaint**

Mr S complains J.P. Morgan Europe Limited trading as Chase won't refund money he lost to a scam.

A representative who I will call "W" complains on behalf of Mr S.

## **What happened**

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

In September 2023, Mr S was introduced to investing in cryptocurrency by an individual he met online. I will refer to this individual as "Ms A."

Between 24 September and 11 October, Mr S made seven payments totalling over £29,000, on the belief the money would be invested. When Mr S wanted to withdraw his money, he was told he needed to pay fees, and it was only after making these payments and not getting his money that he realised he'd been scammed.

W complained to Chase on Mr S's behalf. They said that had Chase intervened further and provided effective warnings, they could have uncovered the scam and prevented Mr S's loss.

Chase looked into the complaint and decided to refund 50% of the £20,000 payment made on 11 October. They said this payment required Mr S to contact them, but during the call they felt their advisor could have asked more questions to help identify whether Mr S was falling victim to a scam.

In relation to the other payments, as they were being paid by Mr S into accounts in his own name, Chase said the loss didn't arise with them and therefore refused to refund those payments.

W brought Mr S's complaint to our service. Our Investigator looked into everything but didn't think Chase should refund the full amount that Mr S lost. While they were of the view that Chase should have intervened from the third payment they didn't feel that any intervention would have worked, as Mr S was so heavily under the spell of the scammer, in terms of the investment, but also in a romantic way.

Because of this, our Investigator didn't recommend Chase should reimburse anything more. They were also satisfied that Chase couldn't have recovered any of the money either.

Mr S didn't agree and so the complaint has been passed to me for review.

## **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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this as it simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr S has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this given the circumstances. However, just because a scam has occurred, it does not mean that he is automatically entitled to a refund from Chase. It would only be fair for me to tell them to reimburse Mr S for his loss (or a proportion of it) if I thought they reasonably ought to have prevented all (or some of) the payments made, or that they hindered the recovery of them.

I've thought carefully about whether Chase treated Mr S fairly and reasonably, both when he made the payments and when he reported the scam, or whether they should have done more than they did. Having done so, I've decided to not uphold Mr S's complaint. I know this will come as a disappointment to him and so I want to explain why I've reached the decision I have.

I have kept in mind that Mr S made the payments himself and the starting position is that Chase should follow their customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr S didn't intend for his money to ultimately go to fraudsters – but he did authorise the payments to take place. However, there are some situations when Chase should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Chase to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr S to Chase (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

I can see that Chase's systems flagged when the payment for £20,000 was made on 11 October. While I haven't been provided with the call, the notes from Chase confirm that Mr S said he was buying cryptocurrency assets. He then confirmed that no one had asked him to move money to a safe account or informed him that his account was under attack. Chase say that Mr S was informed of the risks of making scam payments, and that if he did make the payment there would be a risk of not being able to get the funds back if it was a scam.

Chase say that Mr S confirmed he was in control of both accounts and no one had access to either his cryptocurrency or Chase account. Mr S also confirmed he had checked the FCA website to check if he was dealing with approved websites. The Chase agent provided Mr S with scam education and the option to review their take five website, however Mr S declined this and wanted the payment to go through, authorising it to be made.

Chase have acknowledged that the advisor could have asked more questions about the surrounding circumstances of the payment to determine whether Mr S was falling victim to a scam.

From what I can see, Chase didn't flag any of the other payments. I understand they have said that as the payments were going to another account in Mr S's name the loss didn't occur with Chase. That however isn't enough of a reason to not flag something that seems out of the ordinary or poses a risk of financial harm from fraud – as Chase should be familiar with the risks of multi-stage scams.

The payments were being made into different cryptocurrency accounts, and we expect that from 1 January 2023, all firms ought to recognise that cryptocurrency related transactions carry an elevated risk of the likelihood of the transaction being related to fraud or a scam. This would still be true, even if a consumer had sent funds to cryptocurrency providers previously, or if they were paying an account in their own name.

Because of this, I would expect Chase to make sure their customers aren't falling victim to this type of scam. This means I would also expect them to be on the lookout for the same factors that they would for other types of fraud – including anything which might be out of character or unusual for the customer – as well as any renowned characteristics of a cryptocurrency scam.

The first two payments made by Mr S weren't of such a high value that I would expect Chase to intervene. However, the third and fourth payments were both made on the same day, and both for the same value of £4,101.25. The amounts were also out of character for Mr S and so I believe these payments should have flagged with Chase – with further checks carried out before processing them.

However, even if they had done so, I'm not persuaded any further intervention, even speaking to him in person, would've prevented Mr S's loss. I'll explain why.

From reading the conversations Mr S had with the scammer, it is clear he was sadly, very heavily under their spell. Mr S clearly trusted the scammer, as he began by letting her know he didn't get involved with things like cryptocurrency and wanted to do some research first but was led into getting involved within a matter of days. He also let her know that he had provided wrong answers when making some payments, showing he was willing to provide inaccurate information in order to invest his money. There was also a romantic connection between them, where they discussed what they did each day, meeting up in the future and generally enjoying each other's conversation.

This, to me, shows that Mr S was clearly under scammer's influence and to a degree whereby he was willing to follow the scammers' instructions regardless of the risk that he might lose his money. Because of this, even if Chase had intervened further, I consider it most likely that Mr S would've acted in a similar manner – that being he wouldn't have provided an accurate account of why he was making the payments, and that he would've likely alleviated any concerns Chase might have had.

Given I don't think any intervention would've made a difference, I think Chase's offer is more than fair in the circumstances. Because of this, I won't be asking them to increase it.

I know this will be a disappointment to Mr S, and I am sorry to read of the difficult situation he's in as a result of the scam. But I don't think Chase are responsible for his loss and so, it wouldn't be fair or reasonable for me to direct them to refund him anything further.

*Recovery*

After the payments were made, I couldn't reasonably expect Chase to have done anything further until Mr S told them he had been scammed.

Unfortunately, as Mr S paid the money to cryptocurrency wallets in his own name before forwarding it on as part of the scam, any attempt at recovery was hindered. I say this as Chase would only be able to attempt recovery from where Mr S sent the payments, and we know that money was no longer under Mr S's control. If it had been, he could have returned it himself.

Because of the above, while I can see they tried, I'm satisfied Chase could not have successfully recovered any of Mr S's funds.

### **My final decision**

My final decision is that the offer made by Chase is a fair one and I won't be asking them to increase it.

If Chase have not yet made the payment of £10,000 offered to Mr S – they should now do so.

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

Danielle Padden  
**Ombudsman**