

The complaint

Mrs B complains that J.P. Morgan Europe Limited, trading as Chase, is refusing to refund all the money she lost as the result of a scam.

Mrs B is being represented by a third party. To keep things simple, I will refer to Mrs B throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mrs B found an advertisement online advertising cryptocurrency investments. The advertisement was endorsed by a well-known celebrity which made the opportunity appear legitimate. Mrs B clicked on the link provided and completed an inquiry form with her contact details. Mrs B then received a call from a person at a company I will refer to as 'S Limited'.

They explained the 'investment opportunity'. On the advice of the scammer Mrs B set up an account with Chase and made payments from the account that she thought were towards the 'investment'. Mrs B was required to download the remote access software AnyDesk so the scammer could help her.

Mrs B could see she had made a substantial profit from the investment and attempted to make a withdrawal. But the scammer then said Mrs B would first need to make a further payment before she could withdraw her money. At this stage Mrs B realised she had fallen victim to a scam. Mrs B made the following payments from her Chase account:

date	transaction	amount
12 March 2024	transfer to account of person 1	£750
13 March 2024	transfer to account of person 2	£250
18 March 2024	transfer to account of person 3	£4,000
19 March 2024	transfer to company 1 account	£7,000
19 March 2024	transfer to account of person 4 - declined by Chase	£1,000
19 March 2024	transfer to account of person 5 – declined by Chase	£1,000
Total transferred to scammers		£12,000

Chase refunded 50% of the £7,000 payment Mrs B had made to the scammers, plus 8% interest on this amount. It accepted that it may have missed an opportunity to identify that Mrs B was being scammed when it spoke to her about this payment.

It also noted that it had spoken to Mrs B about the payment of £4,000 on 18 March 2024, but she had not answered its questions truthfully, so it had been unable to identify that Mrs B was falling victim to a scam.

Our investigator said she didn't think Chase needed to do more than it had already done to resolve Mrs B's complaint.

Mrs B did not accept our investigator's view. She said the 'cover stories' she had given to Chase when it questioned her about the payments should have alerted it that something was amiss.

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.

It is not in dispute that Mrs B has fallen victim to a cruel scam. What is in dispute is whether Chase should refund more, or all, of the money Mrs B lost to this scam.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules; guidance and standards; codes of practice; and where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSRs) and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

However, taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Chase should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Chase acted fairly and reasonably in its dealings with Mrs B when she authorised payments from her account, or whether it could and should have done more before processing the payment.

I wouldn't have expected the first or second payments Mrs B made on 12 March and 13 March 2024 to trigger Chase's fraud prevention system prompting it to intervene. I say this because the amounts were not of a particularly high value. I am also mindful that as Mrs B had only just opened her account with Chase it had no account history to allow it to form a view of how she operated her account.

The third payment Mrs B made on 18 March 2024, for £4,000 did cause Chase concerns and it spoke to Mrs B about the payment before it processed it. Chase has provided a recording of this conversation and its subsequent conversations with Mrs B to this service. During the call Chase explained to Mrs B that the payment she was attempting to make had been flagged by its detection systems.

During questioning from Chase, Mrs B told it that:

- she was making the payment to a friend as they were booking a cruise in Asia;
- she had met her friend for lunch at the weekend and her friend was taking responsibility for arranging the cruise; and
- Mrs B said that no one asked her to download any software for remote access.

During this call Chase directed Mrs B to the 'Take Five' section on its website which helps to identify scams. Chase asked Mrs B to confirm she had read the warnings before releasing the payment. Mrs B told Chase '*everything is okay*' and that she wanted it to process the payment.

Having carefully considered this call, I don't think Chase was at fault for allowing the payment to be released as I think it's clear from the recording that Mrs B was not answering the questions Chase asked her truthfully. Chase was therefore limited in its ability to spot the fraud Mrs B was falling victim to.

Chase also intervened with the next payment Mrs B made to the scammers of £7,000 on 19 March 2024. In this call Mrs B told Chase she was sending the payment to a company for IT work, and that a friend had previously used the company.

In this call Chase also asked Mrs B why she had opened an account with it. Mrs B said she had been unhappy with her previous bank and had seen an advert for Chase and had decided to give it a try. Chase also asked Mrs B if she had opened this account to then move money on as part of an investment opportunity and Mrs B said this was not the case.

Chase has accepted that it could have questioned Mrs B in more detail during this call about the payment she wanted to make - and it may have been able to uncover the scam had it done so. As Mrs B has noted, it does seem unusual that she would have wanted to spend £7,000 on IT services. However, I must also take into account that Mrs B has told this service that the scammers had given her a cover story (as they said not all banks allowed cryptocurrency investments) and she knew she was providing incorrect information to Chase during her conversations with it.

Having very carefully considered this, even if Chase had been more persistent in its questioning, I don't think it would have made a difference. Mrs B was very clear in her conversations with it, both in this call and the earlier call. This indicates to me that Mrs B was under the spell of the scammers and would have told Chase whatever she felt she needed to say to get the payment released.

I note that Chase then declined the following two payments Mrs B tried to make later that

day as it was not persuaded that they were legitimate. Chase's refusal to process these payments prevented Mrs B from losing any more money to this scam.

I think the redress Chase has already paid to Mrs B of £3,500 (50% of the fourth payment she made to the scammers) plus 8% interest on this amount is fair in the circumstances of this complaint. In reaching a decision on this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

To be clear, I don't wish to blame her for being the victim of a scam. But in assessing whether Chase has acted fairly, I must also consider whether Mrs B took less care to protect herself than I would reasonably expect. I can see how Mrs B was taken in by the scammer, and I note she has acknowledged this. The scammer posed as an investment adviser and showed Mrs B what she felt was a credible-looking fake investment platform where she could see her supposed investments' performances.

On the other hand, I think there were times where Mrs B didn't act as I'd reasonably expect. Namely, Mrs B went along with the scammers advice to lie to Chase about the purpose of the payments she wanted to make.

While I appreciate she wasn't an experienced investor, I'd still have expected her to have been alarmed at being asked to mislead her bank and to have questioned the legitimacy of this. But I've not seen she did that here. Taking this all into account, while I recognise how Mrs B was enticed by this scam, I think there were some dubious and suspicious signs that I think she ought reasonably to have acted on. In view of this I think it was fair for Chase to refund 50% of the fourth payment to take account of Mrs B's contributory negligence.

Recovery of funds

I've also considered whether Chase took appropriate steps to recover Mrs B's money once it was aware that the payments were the result of fraud.

I'm satisfied that Chase did what it could to recover Mrs B's money once it was made aware of the fraud. Unfortunately, when Chase contacted the beneficiary banks it was unable to recover any of the funds as they had already been moved on by the scammers.

My final decision

My decision is that, for the reasons I have set out above I don't think J.P. Morgan Europe Limited, trading as Chase needs to do more than it has already done to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 21 July 2025.

Suzannah Stuart
Ombudsman