

The complaint

Ms R complains that J.P. Morgan Europe Limited trading as Chase ('Chase') won't refund the money she lost after falling victim to a scam.

What happened

In 2023, Ms R found an investment advertised on a social media site. The investment was promoted by a high-profile celebrity. I'll refer to the company offering the investment as H.

As part of the investment, Ms R was given a broker who would tell her what trades to make. Ms R was told to open accounts with three separate cryptocurrency exchanges and a trading account with H.

Ms R made the following payments as part of the scam from her Chase account.

Date	Pmt	Details of transaction	Amount
22.6.2023	1	Payment to E – a cryptocurrency exchange	£3,000
28.6.2023	2	Payment to E – a cryptocurrency exchange	£5,100
7.7.2023	3	Payment to E – a cryptocurrency exchange	£5,000
11.7.2023	4	Payment to E – a cryptocurrency exchange	£10,000
12.7.2023	5	Payment to E – a cryptocurrency exchange	£5,000
3.8.2023	6	Payment to E – a cryptocurrency exchange	£11,001
4.8.2023	7	Payment to E – a cryptocurrency exchange	£11,001
29.8.2023	8	Payment to P – a cryptocurrency exchange	£8,100
29.8.2023	9	Payment to P – a cryptocurrency exchange	£7,950
5.9.2023	10	Payment to P – a cryptocurrency exchange	£9,000
6.9.2023		<i>Payment returned to account</i>	<i>£9,000 cr</i>
5.9.2023		<i>Credit from K – a cryptocurrency exchange</i>	<i>£78.97 cr</i>
8.9.2023	11	Card Payment to B – a cryptocurrency exchange	£4,000
8.9.2023	12	Payment to O – an individual – cryptocurrency purchase	£4,000

When Ms R tried to withdraw her investment, she was told that she had to pay fees. After paying the fees, Ms R didn't receive her funds, and the scammer cut off all communication.

Ms R, through a professional representative, raised a fraud claim with Chase in February 2024.

Chase investigated Ms R's claim and refunded her £11,000, for payments 1, 11 and 12. Chase say they called and discussed some of the payments with Ms R, but the calls could've been better. However, they aren't liable for the balance of her loss.

Ms R wasn't happy with Chase's response, so she brought a complaint to our service.

While the case was with our service, Chase offered an additional refund of £22,002, for payments 6 and 7.

An investigator looked into Ms R's complaint and upheld it. The investigator referred to Chase's terms and conditions, and said Ms R was entitled to be fully refunded. The investigator also asked Chase to pay interest on the refund.

Ms R accepted the investigator's opinion, but Chase disagreed with it. Chase says Ms R should've asked more questions and not taken what the scammer told her at face value. Also, a genuine financial advisor wouldn't recommend someone take out a loan in order to invest, and Ms R should've been concerned about an investment advertised on a social media site.

As the case couldn't be resolved informally, it was passed to me to review.

Having reviewed the case, I contacted both parties to let them know that I'd reached the same answer as the investigator. I asked Chase to refund Ms R's outstanding loss. Ms R accepted this recommendation. However, Chase disagreed that Ms R is entitled to a refund and raised the following points:

- Why did Ms R tell Chase she had spoken to her partner about the investment, when she told the scammer they didn't know about it.
- Why did Ms R tell Chase a friend told her about the investment instead of saying she'd found it online.
- Chase referenced several messages between Ms R and the scammer.

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.

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 be 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 (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, having reviewed Chase's terms and conditions, I agree with the investigator that Ms R is entitled a refund of her outstanding loss. I'll explain why.

Chases terms and conditions

Chases terms and conditions that apply to this case say:

10. Refunds and help

Refunds

You'll generally get a refund for a payment if you have any of the problems set out below, unless you've been fraudulent, in which case no refund will be provided. We've also set out how quickly you can expect to get your money back, when you won't get a refund and other important information about our approach to refunds and what we expect from you.
(...)

A payment where you're tricked into sending money to a fraudster.

This is where you:

Either intended to send money to a particular person, but you were tricked into sending money to someone else; or sent money to someone for what you thought was a genuine purpose, but which was actually fraudulent.

If you're at fault in some way

If, taking everything into account when the payment was made, we find you should've known you were being tricked into sending money to a fraudster you won't get a refund.

Why I'm satisfied Ms R is entitled to a refund

While Ms R found the investment opportunity on a social media site, she wasn't aware that the advert wouldn't be vetted or that investments posted there may be fraudulent. Also, the investment was promoted by a high-profile celebrity and Ms R didn't believe they would endorse an investment that wasn't genuine.

H's website was professional and appeared to show genuine market fluctuations. And, Ms R was asked to provide identification to complete "Know Your Customer" requirements – which she expected as a new customer.

Ms R looked online for information about H and didn't see any negative information. She saw positive reviews which appeared to be from independent traders who recommended H. There wasn't any negative information available online about H until November 2023, when a Financial Conduct Authority (FCA) warning was posted.

Ms R was able to make a small initial withdrawal after her first payment of £500, which was made from an account she held with another bank. Being able to withdraw these funds, added to the legitimacy of the investment.

Ms R wasn't aware that a genuine financial advisor would never recommend borrowing in order to invest. Chase says that Ms R should've known better, but there is no evidence to support that point. Also, Ms R couldn't afford to lose the funds she was investing, so if she had any concerns the investment wasn't genuine, I'm not satisfied she would've taken the loans out.

Chase have referred to messages between Ms R and the scammer, where she voiced some concerns. But these were in late July and August 2023, not at the time Ms R initially started making payments in early June 2023.

Also, the concerns Ms R raises are around the amount of money she has borrowed and being confident she will be able to repay the loans. Later, she has concerns when she was due to withdraw her investment and was asked to pay fees.

I'm also conscious that Ms R was experiencing some health concerns at the time she made these payments, which she says impacted her decision making.

So, having carefully considered the points Chase have raised, I'm satisfied that Ms R made the payments for what she considered to be a genuine purpose, but which was in fact fraudulent. And I'm not satisfied that Chase have shown Ms R should've known that she was being tricked into sending the money to a fraudster.

The calls Chase had with Ms R

Chase have referred to the calls they had with Ms R and the information they were given during those calls.

However, having listened to those calls, Chase's questions were focused on the cryptocurrency exchanges Ms R was using and whether she had control of her cryptocurrency wallets – which she did.

Chase referred Ms R to the FCA register, but this was in relation to the cryptocurrency exchanges, not H. Also, it was clear from the calls, regardless of the answers Ms R gave, that she was investing and was using cryptocurrency to do so.

The warnings Chase gave were focused on the fluctuations and risks associated with cryptocurrency and it being unregulated. Chase didn't ask sufficient questions about the end destination of the funds, being H.

Also, the terms and conditions are quite clear as to the requirements for Ms R to get a refund. And I'm not satisfied that in any of these calls Chase gave Ms R reason to believe that H wasn't genuine or that she was dealing with a fraudster.

The redress

Chase have already refunded payments 1, 11 and 12 (for £11,000 in total).

They have also offered to refund payments 6 and 7 (which total £22,002) – but it's unclear if this refund has already been paid.

If Chase haven't refunded payments 6 and 7, the refund Ms R is entitled to is £63,073.03. This takes into account that payment 9 was refunded at the time it was made, and the credit Ms R received of £78.97.

If Chase have already paid the refund for payments 6 and 7 to Ms R, the refund should be £41,071.03.

As Ms R has been deprived of the use of the funds, Chase should pay 8% simple interest calculated from the date of the payments until the date of settlement.

Putting things right

To put things right I require J.P. Morgan Europe Limited trading as Chase to:

- Refund Ms R £63,073.03 (if the £22,002 refund hasn't already been paid) or £41,071.03 (if the £22,002 has been paid)
- Pay interest on the refund at 8% simple interest per year, calculated from the date of the payments until the date of settlement.*

*If Chase considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms R how much it's taken off. It should also give Ms R a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is that I uphold this complaint against J.P. Morgan Europe Limited trading as Chase and require them to compensate Ms R as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 18 August 2025.

Lisa Lowe
Ombudsman