

## **The complaint**

Mr L complains J.P. Morgan Europe Limited trading as Chase didn't help when a pre-authorisation payment that wasn't going to be claimed caused him to go overdrawn.

## **What happened**

Mr L has a current account and a savings account with Chase. His account doesn't come with an overdraft.

Mr L spent a weekend away at a hotel in November 2024. He says the staff took a pre-authorisation on his debit card – covering the cost of bed and breakfast – of £278 at the beginning of the stay and that his app showed this transaction as “pending”. He says he spent approximately £270 on dinners and was handed a bill for £548 at the end of his stay. He says the staff took his card again and he paid £548. He says his app still showed the £278 as pending but he still had enough funds in his account.

Mr L says he received a message from Chase the following day to say he was approximately £480 overdrawn. He says he looked into this and there was another transaction from the hotel for £548. He says he contacted the hotel – who said they'd processed the transaction normally – and Chase who said that there were “pending” transactions which would drop off in 7 to 30 days but that in the meantime he needed to pay money into his account as it was not meant to be overdrawn. He complained to Chase.

Chase looked into Mr L's complaint and said that the merchant had requested another pre-authorisation instead of completing the initial one which was why there were two pending transactions on his account and one completed one. In the course of looking into Mr L's complaint Chase accepts that he was put on hold for 10 minutes when he shouldn't have been. Chase offered Mr L £30 in compensation for improperly placing him on hold and said that the pre-authorisations would drop off in 7 to 30 days unless he could get evidence that the hotel wasn't going to make a claim. Chase says the pre-authorisations dropped off after 7 days. Mr L says one of them didn't drop off for 30 days.

Mr L was unhappy with Chase's response and complained to us. He said he'd been able to move money from his savings account with Chase into his current account so had been able to pay other bills, but he wasn't happy with the way Chase's systems and pre-authorised payments worked.

One of our investigators looked into Mr L's complaint and said that they didn't think Chase had done anything wrong as it looked like the hotel had taken two pre-authorisation payments and one final payment. Mr L disagreed saying that he'd only entered his PIN twice and only had two receipts – one for a pre-authorisation at the beginning of his stay and one for the final bill at the end of his stay. He asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

## **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 this case, I agree with Chase that the error appears to have been with the merchant. Its evidence shows that the hotel pre-authorised two payments and completed a third meaning approximately £540 debited Mr L's account and another £540 or so was earmarked as pre-authorisation. That "earmarked" money wasn't available for Mr L to spend unless and until it dropped off. I appreciate that this meant that Mr L appeared to have gone overdrawn, and although he says the staff at Chase were very polite I appreciate that this was extremely frustrating for him. But other than the error it accepted it made, I agree with our investigator that this isn't a case where Chase made a mistake. Mr L has said that it was fortunate he had savings so he was able to cover the "overdraft" that this mistake implied he was in. I hope that this meant his stay wasn't ultimately ruined. For the reasons I've given, however, I agree that this isn't a complaint we can uphold.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 18 April 2025.

Nicolas Atkinson  
**Ombudsman**