

The complaint

Mr G complains that J.P. Morgan Europe Limited trading as Chase (“Chase”) won’t refund the full amount of money he lost after he says he fell victim to an ‘authorised push payment’ (“APP”) scam.

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.

Mr G complains that on 20 March 2023 he paid a single payment for what he thought was a legitimate purchase. Shortly after, Mr G conducted some of his own research on the Item and believed he had been scammed. So, he raised a complaint with Chase.

Chase looked into the complaint and upheld it in part. It didn’t think it had done anything wrong by allowing the payment to go through. So, Mr G brought his complaint to our service. Chase did offer to pay Mr G £200 for some service failings.

Our investigator looked into the complaint but also didn’t uphold it. Our investigator didn’t find Chase had done anything wrong by allowing the payment to be made. She did agree that the £200 fairly compensated Mr G for the service failings though. Mr G didn’t agree, so the complaint’s been passed to me for a final decision.

I issued a provisional decision on 20 December 2024. This is what I said.

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

I know Mr G will be disappointed, but having done so, and for reasons that I’ll go on to explain, I’ve decided not to uphold this complaint. I’ll explain why.

I’d like to say at the outset that I appreciate Mr G has gone to considerable effort when providing his submissions in support of his complaint – providing significant detail as to what he says happened and why he thinks Chase is responsible for the loss he suffered, in particular the chargeback process that he says should’ve been decided in his favour. I therefore want to reassure him that I’ve given everything he’s said careful consideration. And, while I’ve summarised his points, and in far less detail than he provided, I want to stress that no discourtesy is intended by this. And if there is a submission or point that I’ve not addressed, it isn’t because I’ve ignored it. Instead, it’s simply because I’ve focussed on what I consider to be the central issues in this complaint – that being whether Mr G was the victim of a scam and if Chase is responsible for the loss he claims to have suffered.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Chase is expected to process authorised payment instructions without undue delay. But as a bank, they also have long-standing obligations to help protect customers from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether Chase is responsible for the loss Mr G claims to have suffered if, indeed, he has been scammed. I've therefore considered whether Mr G was a victim of a scam.

In the circumstances of this complaint, Mr G has made a payment to a legitimate (based on my own research) company for facilitation of the purchase. I understand Mr G is unhappy with the legitimacy of the company selling the item, but Mr G didn't pay them directly. So, the company selling the item is not something I've considered as part of this complaint.

Mr G was provided a contract and other documentation that is expected in a purchase of this nature. Having reviewed the documentation and the communication Mr G has had with the company, I'm not satisfied the high bar for fraud has been met. I say this as our role isn't to adjudicate on contractual disputes between parties. And the fact there is an agreement in place doesn't support the assertion that it is a scam designed to misappropriate Mr G's money. In my view, it lends weight to this essentially being a business dispute between Mr G, the middle company facilitating the sale and seller of the item. And usually, once a scammer obtains funds (excluding where they are trying to entice the victim to send more), the scammer will commonly cease all contact. I can't see this is what happened here.

The company selling the item, had asked in several of the pieces of communication with Mr G, for the name of his solicitors to complete the purchase. Mr G has also had communication from the seller's solicitors and a quick search of the internet appears to find the director who Mr G was communicating with - at the firm he claimed to work for. This again isn't typical behaviour of a company or an individual looking to obtain money through deceit. The middle company has given several options of where Mr G can send the money, and although I understand Mr G has concerns that this process may be in breach of the contract he entered, this isn't what I'm tasked to make a finding on. I'm here to decide if I think it's most likely Mr G has been the victim of a fraud or scam when he sent the payment.

As I explained, Chase has obligations to protect their customers from financial harm from fraud and scams. But, given there wasn't a scam here to prevent, these obligations don't apply to this payment. Nor were they required to try to recover the funds upon being notified by Mr G that he considered he had been defrauded through the purchase (although I note they did attempt to do so, so I'll explain more below).

So, whilst I understand Mr G's strength of feeling on this matter, I don't feel it's been sufficiently demonstrated that the middle company intended to, or has defraud Mr G. And it follows that I don't find Chase needs to do anything more in these circumstances.

Recovery

After the payment was made, I couldn't reasonably expect Chase to have done anything further until Mr G told it that he had been scammed.

After the debit card payment was made, the only potential avenue for recovery of the payment would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Chase is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to a chargeback, I consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within

the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply. Unfortunately, the chargeback rules don't cover scams.

Chase did raise a chargeback which was defended by the middle company, as they argued that the payment was a legitimate deposit for the purchase and produced the same contract and paperwork sent to Mr G.

Based on the response the middle company gave to defend the chargeback, on the evidence that would've been available at the time, and that any proportionate checks would've uncovered, I'm satisfied that when Chase made the decision to agree to the defended chargeback, it wasn't unfair in the circumstances of the complaint. Chase acted reasonably, and as I would expect, by raising the chargeback but, ultimately, it was successfully defended.

Trouble and Upset

Chase accepts it didn't progress the claim as quickly as it should have. Specifically, that between 25 March 2023 and 29 September 2023 Mr G didn't receive any communication from Chase updating him on his claim.

In recognition of the customer service Mr G received, it has offered Mr G £200 to compensate him for the trouble and upset this caused. When deciding if this amount of compensation is fair and in line with our approach, I've considered the length of the delays, and the impact Mr G has said this had on him. Considering how long this delay was for and the amount of money Mr G says he lost, I'm satisfied £200 compensates Mr G fairly for this.

I appreciate the loss Mr G was claiming for was a substantial amount of money to him. It was therefore, naturally, of importance to him. Because of this, I think the delays caused by Chase caused avoidable trouble and upset during this time. And so, while I've concluded that it was reasonable for Chase to process the payment, I think £200 is a reasonable amount to recognise its delays in handling the fraud claim.

Mr G did raise a request for a Data Subject Access Request that Chase have been unable to evidence it sent. Our investigator asked Mr G what impact this had on his complaint, but he didn't specify any impact but rather referred back to the information he had sent previously.

So, given I've not been provided any evidence of additional trouble and upset this may have caused, whilst also checking through all of the information we hold on file. I'm satisfied no additional award is necessary.

I realise this means Mr G is potentially out of pocket. But I can't reasonably ask Chase to reimburse Mr G in circumstances where I don't think it ought reasonably to have prevented the payment or recovered it.

I understand Chase has already paid Mr G the £200. If it hasn't, Mr G should contact Chase directly.

Chase responded and agreed with my provisional decision.

Mr G responded to say he didn't agree with my provisional decision for the reasons below.

- *I got the basics of the complaint wrong.*
- *I haven't provided a summary of the complaint.*

- He would like a copy of my research into why I've found the company facilitating the purchase to be legitimate.
- Details of where I set the bar for fraud.
- Various information regarding the legitimacy of the contract.
- I've provided a distorted account of the historical events.
- I've said Mr G was given various options for where to send the payment, but it was just two.
- The evidence proves beyond any doubt that it was a scam and I'm choosing to ignore it.
- Mr G would like evidence to show why he isn't covered by the chargeback scheme.
- I've ignored key facts.
- The representative from Chase lied to Mr G.
- Mr G's medical history has not been responded to as part of the investigation.
- The company selling the item is a trading name of another who is FCA registered.

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.

Mr G has said that I've got the basics of the complaint wrong but hasn't said what the basics of the complaint I've got wrong are, so I'm satisfied I don't need to comment on that any further.

Having reviewed the complaint again, I'm satisfied my decision is an accurate account of what took place. I've also explained at the start of the decision what I believe to be a summary of Mr G's complaint. As far as I'm aware, both parties involved here are aware of what Mr G's complaint is, without the need for me to go into greater detail. 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. This simply reflects the informal nature of our service as a free alternative to the courts.

Mr G himself has said that the middle company involved, where he sent the payment to for the purchase, is a trading name of a Financial Conduct Authority (FCA) registered company. I haven't found any information that would lead me to believe they are anything other than legitimate or are involved in scams. I've also explained in my provisional decision why I haven't found they are showing the characteristics of what we normally see with a scammer. Evidence available online from companies' house, the FCA website and the company in questions website I'm persuaded supports this.

I'm satisfied that I've explained in my decision why I've concluded that a scam hasn't taken place in the circumstances of this complaint. Mr G has raised several points that relate to the legitimacy of the contract, I've also explained that our role as the Financial Ombudsman Service is not to adjudicate on contractual disputes.

Mr G has said he was only given two different accounts to send the money to and I've said it was various. I'm comfortable that this doesn't impact the decision I've reached, as I've seen nothing to suggest the middle company facilitating the purchase, and whose account was one of them, was acting in a fraudulent way.

Mr G has said his medical history hasn't been considered. I understand why Mr G has raised this and I'm sorry to hear he has been unwell. The reason this hasn't been referred to is because I'm satisfied without a scam taking place, Chase didn't need to act on this information alone. I've also not seen any information to show Mr G had told Chase about it. Medical information alone is not something I'd expect a bank to act on if there weren't other red flags which could highlight a consumer is at risk of financial harm.

The chargeback scheme rules can be found online, so I won't list them all here. Although I've mentioned that the scheme doesn't cover scams, it's not relevant in this situation as Chase did raise a claim. I've explained why I don't think Mr G was treated unfairly when it wasn't pursued any further.

Mr G has said that a Chase adviser lied to him when discussing the complaint due to the short time it took him to respond, and a call he referred to that Mr G says doesn't exist. Although I understand this may have been frustrating for Mr G, I haven't seen anything to suggest either of these points impacted the outcome of the claim. Having considered the overall experience he had when raising his claim, I'm still satisfied that the £200 fairly compensates him for the trouble and upset it caused him.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 March 2025.

Tom Wagstaff
Ombudsman