

The complaint

Mr J complains that J.P. Morgan Europe Limited trading as Chase (Chase) is refusing to refund him the amount he lost as the result of a scam.

Mr J is being represented by a third party. To keep things simple, I will refer to Mr J 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, Mr J says that he found an advertisement for an investment company I will call "X" online that appeared to be endorsed by a well-known celebrity. Mr J says he was told that the investment was in commodities such as gold.

Mr J says that before he agreed to invest, he carried out online research and found only positive reviews of X.

The investment process included Mr J downloading screensharing software to his device and Mr J says he funded the investment by taking various loans.

Mr J realised he had fallen victim to a scam when he attempted to make a withdrawal from the investment but was unable to contact X.

Mr J has disputed the following transactions:

Payment	Date	Payee	Payment Method	Amount	Comment
1	25 April 2024	Zenovio Ltd	Transfer	£14,982.46	Fully refunded
2	26 April 2024	Mr J	Transfer	£20,000.00	
3	3 May 2024	Natural Whitening	Transfer	£12,893.70	50% refunded
4	10 May 2024	Yhr Ltd	Transfer	£13,982.41	50% refunded
5	14 May 2024	Yhr Ltd	Transfer	£14,350.00	50% refunded
6	27 May 2024	Mr J	Transfer	£20,000.00	

Chase agreed to refund some of the disputed payments in part as it says it could have done more.

Our Investigator considered Mr J's complaint and didn't think it should be upheld. Mr J disagreed, so this complaint has been passed to me to decide.

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 has not been disputed that Mr J has fallen victim to a cruel scam. The evidence provided by both Mr J and Chase sets out what happened. What is in dispute is whether Chase should refund the rest of the money Mr J lost due to the scam.

Recovering the payments Mr J made

Mr J made payments into the scam via transfer. When payments are made by transfer chase has limited options available to it to seek recovery.

I can't see that Chase contacted the provider of the recipient accounts to request a refund of any funds that remained in those accounts. But in my experience scammers tend to move funds on very quickly after they are received. So given the time that passed between Mr J making the payments and him complaining to Chase, I don't think it was unreasonable that this attempt was not made.

For the payments that Mr J made to accounts in his own name, the funds would have remained within his control. So, there would be no funds to recover.

Should Mr J receive a refund under Chase's terms and conditions

The terms and conditions of Mr J's account with Chase state that that their customers will receive a refund of any payments made as part of a scam, unless they 'find you should've known you were being tricked into sending money to a fraudster'

I have thought about whether Mr J should receive a refund in-line with the above, and I don't think he should. I will explain why.

Mr J has told us that he carried out online research into X before deciding to invest. But a simple online search at the time showed that X was in fact operating a scam, so had Mr J carried out that research I think it is likely he would have known he was being scammed.

Mr J was also making payments in relation to what he thought was an investment in commodities but was given details of accounts for health products such as teeth whitening. I think this should have been a clear indicator to Mr J that the payments he was making were going to companies that didn't offer the investments he says he was making payments towards.

With the above in mind, I think Mr J should reasonably have been aware he was being tricked and sending money to a fraudster.

Should Chase have reasonably prevented the payments Mr J made?

It has been accepted that Mr J authorised the payments that were made from his account with Chase, albeit on X's instruction. So, the starting point here is that Mr J is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Chase should have been aware of the scam and stepped into question Mr J about the payments he was making. And if it had questioned Mr J would it have been able to prevent the scam taking place.

The payments Mr J made in relation to the scam were significant in value so I think it could be argued that Chase should have intervened when each payment was made and the

payments should have been discussed.

I can see that Chase did intervene multiple times when payments were made in relation to the scam. I have listened to multiple calls that took place between Mr J and Chase throughout the scam.

When these calls took place Mr J confirmed:

- He was making staged payments for building work.
- The builders had been recommended by a friend at work.
- He was making payments for teeth whitening machines and had researched the company online.
- He was making a payment for a second teeth whitening machine having received a product he had bought previously and was happy with.

Mr J was not honest when speaking to Chase about the payments he was making.

In addition to the above Mr J also took out multiple loans to fund the investment. Loans are not usually granted for the purpose of investing, so while I don't know what Mr J told the loan providers, he needed the funds for I think it's most likely he was not honest during the loan applications either.

It's clear from the available evidence that Mr J was willing to give false information when attempting to make the disputed payments and did so every time he discussed the payments with Chase. So, while I think Chase could have intervened further than it did, I don't have enough to say that Mr J would have provided any more honest answers if it had done.

Providing false information to Chase would have made it very difficult for it to uncover the scam that was taking place. I don't think Chase missed an opportunity to prevent the scam and it is therefore not responsible for his remaining loss.

Had Mr J brought his complaint us without an offer being made by Chase I would not have asked it to refund any of the payments that he has disputed. So, it would not be reasonable for me to ask Chase to do anything more than it already has. I think its offer to partially refund Mr J's loss is more than reasonable.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 2 September 2025.

Terry Woodham
Ombudsman