

## The complaint

Mr P complains that J.P. Morgan Europe Limited trading as Chase ('Chase') hasn't refunded all the money he lost to a bank impersonation scam.

## What happened

The circumstances of the complaint are well-known to both parties. So, I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

On 14 August 2024, Mr P authorised a debit card payment for £7,400 from his Chase account. Mr P believed that he'd been asked to approve the payment by a Chase employee. However, unbeknownst to Mr P at the time, he was actually speaking to a scammer.

After reporting the situation to Chase, it agreed to reimburse 50% of Mr P's loss (£3,700) because it considered the scam payment was suspicious, and Chase could've done more to prevent Mr P from the scam. However, Chase was of the opinion that Mr P was also at fault and should share equal responsibility for his loss.

Unhappy with Chase's response, Mr P referred his complaint to this service. Our Investigator considered the complaint and upheld it. In their opinion, Chase ought to have reimbursed Mr P's full loss under the terms and conditions of his account with Chase. They recommended Chase refund the remaining loss of £3,700, plus interest.

Mr P accepted our Investigator's opinion, but Chase didn't. Chase said Mr P had ignored some warning signs to suggest the scam call wasn't genuine and also ignored a written scam warning, which was relevant to his circumstances, at the time the payment was authorised.

As an informal agreement couldn't be reached, the 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.

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 firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account.

It's not in dispute that Mr P authorised the scam payment. So, under the Payment Services Regulations, the starting position here is that Mr P is responsible for the payment (and the subsequent loss) despite the payment being made as the result of a scam.

However, that isn't the end of the story. The terms and conditions of Mr P's account with Chase (at the time the scam payment was made) say that where a payment is made as a result of a scam, Chase will refund the payment *unless* the customer should've known they were being tricked by a fraudster. There's been no suggestion made that Mr P wasn't the victim of a scam. So, I've gone on to consider if Chase could fairly refuse to refund Mr P in full because he ought to have known that he was falling victim to a scam at the time.

Mr P has advised that shortly before the scam happened, he responded to a message asking him to provide some information and pay a small fee so the Post Office could deliver a parcel. Unfortunately, this wasn't a genuine message from the Post Office and was a practice used by fraudsters to obtain information from an individual, better known as 'phishing'.

On 14 August 2024, Mr P received a phone call from someone who claimed to work for Chase. The caller told Mr P that his account had been compromised, and transactions had been attempted in Liverpool. Mr P says the caller knew his name, address, that he banked with Chase and what the account number was for his Chase account.

Mr P says the caller also knew his Chase account balance and that he held accounts with two other banks. Mr P's account hadn't actually been compromised, so it seems unlikely the scammer would've known these pieces of information. And, I think it's more likely that Mr P shared this information with the caller and not the other way around.

Mr P wasn't able to see the alleged fraudulent transactions on his account. However, the scammer told Mr P this was because Chase had identified they were suspicious and blocked them before they debited his account.

Mr P had visited Liverpool around two months before the scam call took place. So, the scammer telling him that his account had been compromised and payments had been attempted in Liverpool was plausible to him at the time.

The scammer called Mr P on a withheld number. When Mr P asked the scammer how he could be sure they were calling from Chase, the scammer referred to the personal information they'd already provided to Mr P, which he thought only his genuine bank would know. The scammer also provided Mr P with a phone number, which (apart from the final digit) was identical to the phone number for Chase's fraud department. The scammer told Mr P to expect a follow up call from that number, which subsequently happened.

During the second call, Mr P was told, as part of Chase's security procedure, he would need to approve a debit card payment for £7,400 and decline two other debit card payments each for £1,900. Mr P was told that the £7,400 would debit his account for security purposes and be returned the following day.

I accept the reason Mr P was given for authorising the £7,400 debit card payment isn't particularly plausible. So, I can understand Chase's objections to refunding Mr P's full loss. However, I have to bear in mind the events leading up to this request, which included the scammer:

- knowing personal information about Mr P;
- knowing banking information about Mr P;
- calling from a number that was almost identical to Chase's genuine phone number;
- alleging fraudulent activity had taken place in a city Mr P had recently visited; and
- telling Mr P that his account/funds were at risk of being stolen.

I also have to keep in mind the panic that the above information induced. So, whilst with the benefit of hindsight the payment request was unusual, at the time Mr P thought the scammer was a genuine Chase employee that was trying to help keep his money secure. As a result, I'm satisfied Mr P was acting reasonably and I don't think he ought to have known that he was being tricked by a fraudster at the time the payment was made, such was his belief that the scammer was legitimate.

I appreciate Chase did provide Mr P with a written warning, which said Chase wouldn't call and ask him to approve a payment. This warning was relevant to Mr P's circumstances. However, the warning was brief and didn't bring to life how bank impersonation scams work. As a result, I don't find this warning would've been impactful in helping Mr P understand he was speaking to a scammer. So, I'm not persuaded Chase can fairly rely on this warning as a reason to refuse full reimbursement.

Chase has also argued that the scammer went through security questions with Mr P on the phone, when in reality, Chase sends a verification in the mobile banking app (rather than asking questions or providing information) to pass customers through security. Chase believes that this ought to have raised concerns with Mr P, but I don't agree.

I don't think Mr P can reasonably be expected to have known what Chase's security protocols were at the time. The process used by the scammer is similar to other organisations and, in the high-pressure situation Mr P found himself in, I don't think he ought to have made the connection that the scammer wasn't using Chase's usual security process, especially as he hadn't had a genuine phone call with Chase for a significant amount of time.

Overall, and for the reasons I've explained above, I think Mr P has fallen victim to a sophisticated and well executed scam. I don't think he reasonably could've been expected to have known he was being tricked by a fraudster. As a result, I don't think Chase could refuse to reimburse his total loss under the terms and conditions of his account.

Chase has already acknowledged that the scam payment was suspicious and that it could've done more to protect Mr P from the scam – and I agree. As a result, I'm satisfied Mr P has been deprived of his funds since the date of payment and therefore interest can fairly be applied to the refund I'm awarding.

## **Putting things right**

To resolve the complaint, Chase should:

- refund Mr P's outstanding loss of £3,700; and
- pay interest on the refund, at 8% simple per annum, from the date of the payment until the date of settlement.

### **My final decision**

For the reasons explained above, my final decision is that I uphold this complaint.

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

Liam Davies  
**Ombudsman**