

The complaint

Miss C complains that J.P. Morgan Europe Limited trading as Chase won't reimburse her after she sent funds to a firm for home improvements that she now considers to have been a scam.

What happened

The circumstances of the complaint have been set out in some detail already by our investigator, so I won't repeat them in detail here. But briefly, both parties accept that Miss C was looking to have her loft converted on her home and after conducting some research online, receiving quotes and speaking to some different companies, she decided to enlist the services of a firm I'll refer to as 'N'. Miss C made an initial payment in January 2024 for £5,758 for works to begin.

Miss C was added to a telephone group chat with members of N, contractors and an architect, where N set out the initial steps required, such as Miss C providing photos and approximate measurements for the work. She was provided with drawings of the work by the architect and received a second invoice for £14,400, which Miss C understood was for the purchase of materials for the job to commence.

Miss C was expecting work to begin in March, however she then received contact on the group chat from the contractor advising that he wouldn't begin the work as N had failed to pay him for a previous job completed. Miss C has explained at this point she began to be concerned. She chased N for updates and received several excuses for delays in contact and progress.

Eventually Miss C asked for a refund due to losing faith in N. N offered to try and get things back on track with Miss C and offered a price deduction for issues incurred, but Miss C maintained she no longer wished to proceed. Miss C has received no refund from N and has since received correspondence from N in June 2024 confirming it will no longer be trading.

Miss C has explained she is part of an online group where other customers of N have also reported issues, some similar to hers, and others who have had some work done, but not completed.

Believing she'd fallen victim to a scam, Miss C contacted her bank, Chase to raise a claim. Chase considered her claim but didn't uphold it. It said this was a civil matter between Miss C and N.

Miss C remained unhappy and referred her complaint to our service. An Investigator considered the complaint but didn't uphold it. She didn't think there was enough evidence to support that N had obtained funds from Miss C without any intention of completing the work from the outset and that this was therefore a civil matter.

Miss C disagreed. She raised several elements of N's behaviour that she felt demonstrated that this was a scam, rather than a civil matter. These included that N had told her it had submitted plans to building control for works to begin, despite this not appearing to be the

case, N holding several bank accounts, with the one Miss C paying not being in the director's name, that there are other individuals in the same situation as Miss C and there being multiple CCJs against N.

As Miss C disagreed with the investigator's view, the complaint has been referred to me for a final decision.

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.

I'm very sorry to hear of the position Miss C has been left in. She has paid out a substantial amount of money with no works to show for it, which has, understandably, significantly impacted her.

Based on everything I've seen, it seems hard to argue other than that N has breached its contract with Miss C. But I'm not deciding a dispute between Miss C and N – I don't have the power to look into a complaint about N. My role is limited to deciding the dispute between Miss C and Chase.

Of course, Chase didn't contract with Miss C for the building work she wanted done, and I can't hold it responsible for any breach of contract or other failings on N's part. As a starting point in law, Miss C is responsible for payments she's instructed Chase to make. Unfortunately, there's little protection available to her for bank transfer payments, like these were.

Chase does offer *some* protection for fraudulent payments through its account terms and conditions. These state if a customer '*sent money to someone for what [they] thought was a genuine purpose, but which was actually fraudulent*', Chase will apply '*industry standards*' to decide whether to give a full or partial refund. However, in order for this term to apply, I'd have to first determine that this payment was received by N as the result of a fraud or scam.

There are a number of potential reasons (other than an APP scam) for a dispute such as the one between Miss C and N to exist. And unfortunately, businesses (such as N's business) can fail or be mismanaged such that contracts are breached and agreed goods and services aren't provided. But that doesn't necessarily amount to evidence of an intent to commit an APP scam.

Instead, in order to determine that Miss C's funds were sent as the result of an APP scam, I'd need to be persuaded that the very purpose for which N procured the payment was different to what Miss C believed due to dishonest deception. In order to make such a finding, I would need to conclude that N had no *initial intention* of completing the works it agreed with Miss C.

This of course, is a possibility here. N didn't complete any works on Miss C's property, other than to arrange for architect drawings, which could have been an inducement for more funds to be sent, rather than a genuine intent to complete work. But I think there are other possibilities here that makes it difficult to conclude a high bar of criminal intent has been met.

N was a genuine registered firm on Companies House, and had been in business for around a year before this issue took place with Miss C. Miss C has accepted that she researched N online and checked reviews, which she appeared to be happy with. While Miss C has now stated these were fake reviews, I've seen no evidence of this. Miss C has highlighted that there are other individuals unhappy with N's work, and has highlighted that N has several

CCJs against it – but she's also noted that some customers are unhappy that works have started and not been completed. So it's not a clear-cut case here of N taking funds without ever providing any work. And it's not clear if these CCJs relate to issues similar to what Miss C has faced, or whether they relate to quality issues.

There are certainly aspects of how N was run that are questionable, and N was also potentially dishonest with Miss C about whether it had ever instructed building control. But this doesn't necessarily demonstrate that N never intended to complete the work, rather than it was run poorly and misrepresented facts. It could equally be that N initially intended to complete works at Miss C's property and then became unable or unwilling to due to financial or business mismanagement.

I understand Trading Standards are currently investigating N. However, at this stage this is only an investigation and I'm not aware that any charges have so far been made.

Our service has also reached out to the beneficiary account that received Miss C's funds. While the account provider has provided our service with information – it has done so in confidence. It has provided that which is necessary for the determination of this complaint to allow us to discharge our investigatory functions. Due to data protection laws, our service can't share any information about the beneficiaries, the receiving bank accounts or any investigation and action subsequently taken. However I would like to assure Miss C that I have thoroughly reviewed and considered all the information provided before reaching my decision.

Having done so I don't think the account use supports an allegation that N was set up as a means to defraud. I say this based on payments from the account that appear to align with N's line of work, as well as a lack of scam claims made prior to Miss C's.

All considered I simply can't safely conclude that N took Miss C's money without ever having any intention of carrying out the work she paid for. The evidence available to me simply isn't enough to support such a finding.

I appreciate how frustrating and disappointing this answer will be. Miss C has lost a lot of money as a result of N's failure to complete the agreed work. But I can't exclude the possibility that N entered the agreement in good faith, intending to fulfil the work and then was unable or unwilling to fulfil the agreement for some reason. The evidence doesn't allow me to conclude it's more likely than these alternative possibilities that N intended to steal Miss C's money from the outset and never had any intent of fulfilling the arrangement in full or in part.

That means that I can't fairly hold Chase responsible for the loss suffered here by Miss C. It also means I find the bank had no ability or obligation to try and recover her money.

In saying all of this, I don't underestimate the impact this whole matter has had on Miss C – I am sorry she has lost out through no fault of her own. It does seem her trust in N was misplaced and she has been badly let down. But that fault lies with N and not with the bank. And it's simply the case that I can't fairly tell Chase to pay her the money she's lost, because I don't think Chase has treated her unfairly or was otherwise at fault here.

My final decision

My final decision is I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 16 December 2025.

Kirsty Upton
Ombudsman