

The complaint

Mr H complains J.P Morgan Limited (Chase) unfairly closed his account.

What happened

Mr H held a Chase account. Mr H raised concerns with Chase explaining that he had been the victim of a scam. Chase conducted a review of the account and in mid-December 2023 Chase informed Mr H that it had made the decision to close his account. Chase explained the account would close with immediate effect and that it would let him know if any funds could be returned to him.

Mr H raised a formal complaint in August 2024 regarding the handling of his account. Mr H said he had sought legal advice and been told the situation hadn't been investigated by Chase properly and its decision to close the account was fair.

Chase reviewed Mr H's concerns and issued a final response letter on 21 August 2024. Within this letter it explained that the decision to close the account was final and the correct process had been followed. It said it was sorry Mr H felt like he had been discriminated against but explained that all customers who have their account closed are unable to open an account.

Mr H remained unhappy and referred his complaint to this service. An Investigator reviewed Mr H's concerns and made the following findings:

- The evidence provided doesn't show that Chase made any errors in its handling of Mr H's account.
- The account terms and conditions allow Chase to close the account immediately in certain situations.
- The scam concerns Mr H has raised will need to be looked at separately by Chase.

Mr H remained unhappy and maintained Chase had acted unfairly. Mr H said he had been in touch with Chase multiple times regarding the scam and it had failed to support him.

As no agreement could be reached, the case has been referred to me – an ombudsman – 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.

Firstly, I am sorry to see Mr H has had cause for complaint. I'd like to reassure Mr H that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I'll start off by highlighting that this decision will solely focus on Chase's decision to close Mr H's account. The concerns Mr H has raised regarding the scam he says he fell victim to will be looked at separately.

As a UK financial business, Chase is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Chase needs to restrict, or in some cases go as far as closing, customers' accounts.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Chase has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr H, but I'd like to reassure him that I have considered everything he and Chase have said before reaching my decision.

As Mr H is aware he had informed Chase of his concerns regarding his account, and he believed he had been the victim of a scam. Chase carried out a review of the account, and looking at the actions it took I'm satisfied Chase acted in line with its legal duties and account terms in reviewing the account in the manner it did.

Chase's review of Mr H's account led to its ultimate decision to close the account. Chase is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Chase should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly. As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. They shouldn't decline to continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly. Given its regulatory and legal obligations, I'm satisfied Chase's decision was made fairly.

The terms and conditions of Mr H's account set out that the bank can close the account by providing 60 days' notice. In certain circumstances, it can also close the account immediately. Mr H's account was closed with immediate effect. For Chase to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that the bank has provided, I'm satisfied that Chase did.

The immediate closure of an account can have a serious impact on a customer, and isn't a decision that can be taken lightly. In Mr H's case I think Chase acted in line with the account terms. I can also see that the balance on the account at time of closure was minimal, and I can't see that Mr H has been deprived of access to essential funds.

I know this will not be the outcome Mr H was hoping for, but I am satisfied Chase acted reasonably in taking action to discharge its regulatory obligation. I know Mr H will be disappointed with the decision I've reached, but I hope it provides some clarity around why I won't be asking Chase to take any further action or compensate Mr H.

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 H to accept or reject my decision before 3 June 2025.

Chandni Green
Ombudsman