

The complaint

Mr B has complained that J.P. Morgan Europe Limited (trading as Chase) won't refund the money he lost after falling victim to a scam.

What happened

Both sides are most familiar with the case and we must anonymise decisions, so I'll summarise what happened in brief.

Mr B found a gambling site which looked good, and signed up. Over several card payments, he deposited money from his Chase account into his gambling account, totalling over £500. He initially received errors but then the money successfully credited his gambling account.

However, the site didn't let Mr B withdraw, and in the end they suspended his account. The gambling site claimed this was to do with him being in the UK, though they'd been happy to accept his UK payments.

Mr B reported this to Chase. Chase didn't raise a chargeback, citing that the rules excluded these kinds of claims. Chase didn't think they were otherwise liable for the loss, though they refunded two of the payments (totalling £160) in error and chose not to reclaim that. They also paid Mr B £30 compensation for making him explain things multiple times.

Our Investigator looked into things independently and didn't uphold the complaint. Mr B didn't agree, so the complaint's 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.

From what Mr B has told us, it sounds like he fell victim to a scam, for which he has my sympathy. I appreciate that scams can feel very cruel and are often not easy matters to face, and I appreciate why he'd want his money back. It's worth keeping in mind that this complaint is against Chase, not the gambling site. The gambling site are outside of our jurisdiction. Chase didn't administer Mr B's gambling account or refuse his withdrawals, and Chase are not generally responsible for this particular merchant, who are a wholly separate business to them. In this case against Chase, I can only look at what Chase are responsible for – not the gambling site. And having carefully considered everything that both sides have said and provided, I can't fairly hold Chase liable for Mr B's loss. I'll explain why.

It's not in dispute that Mr B authorised the payments involved. So although he didn't intend for the money to end up with scammers, under the Payment Services Regulations he is liable for the payments he makes and the resulting loss in the first instance. And broadly speaking, Chase had an obligation to follow his instructions – the starting position in law is that banks are expected to process payments which a customer authorises them to make.

Chase should have been on the lookout for payments which could be the result of fraud or scams, to help prevent them. But a balance must be struck between identifying and responding to potentially fraudulent payments, and ensuring there's minimal disruption to legitimate payments. Here, the spending involved didn't form any particularly suspect pattern, it was not nearly large enough to have been of particular concern, and I can't see that Chase had any other basis on which to reasonably suspect fraud. So the payments were not so remarkable that Chase needed to intervene here.

I've then considered what Chase did to try to recover the money after Mr B told them about the scam. While the payments would've shown as pending for a time, that's just to do with the way such card payments are processed before showing on one's statements. The payments had essentially already gone through unless the gambling site chose not to take the money, and it wasn't possible for Chase to reverse them. As these were card payments, they were not covered by the CRM Code for scams. And Chase weren't able to simply take back the money from the gambling site whenever they wanted.

I know Mr B feels strongly that Chase should've done a chargeback. But chargebacks are governed by strict rules set by the card scheme. And here, the card scheme specifically excluded chargeback claims for payments like these to gambling sites. The only claim which could potentially be made was for cases where someone paid a gambling site but the money never arrived in their gambling account. And such a claim would've failed here since all parties accept that the money did end up arriving in Mr B's gambling account. Claims for issues like the subsequent use of the gambling funds, winnings, withdrawals, refunds, account access, issues with the terms and conditions and so on were specifically not allowed, even in cases like Mr B's where he says the core service wasn't provided as described. There was no realistic prospect of success for a chargeback here, and chargebacks are voluntary, so Chase didn't need to try one in this case. And I'm afraid there was nothing more that Chase could've reasonably done to get this money back.

Finally, I do appreciate that Chase's communication wasn't as good as it could've been, which added extra frustration for Mr B. I'm grateful to him for being open and candid with us about how he's felt. In thinking about compensation, I must keep in mind that it's the gambling site that caused the bulk of Mr B's stress and upset, rather than Chase. Taking into account the impact that Chase had, along with our guidelines for compensation, I think Chase have already paid Mr B sufficiently for the frustration they caused.

So while I'm very sorry to hear about what the gambling site did to Mr B, I don't think Chase can fairly be held responsible for his loss. And so I can't fairly tell Chase to reimburse Mr B any further in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 October 2025.

Adam Charles
Ombudsman