

The complaint

Mr L complains J.P. Morgan Europe Limited trading as Chase declined to refund money he thought he paid to a legitimate online casino which he says is a scam, as it doesn't have a license to operate in the UK. Mr L is also unhappy with the service he received after he reported the scam to Chase.

What happened

In March 2024, Mr L deposited funds with an online gambling website I'll refer to as M. He later wanted to withdraw his funds from M but was unable to do so. He believed the company were operating a scam. When Mr L reported his claim to Chase, he advised that the merchant paid was uncontactable and he believed them to be fraudulent and that he'd been the victim of a scam.

Chase reviewed Mr L's claim and informed him they would not be looking to take the matter forward as a scam and advised him to escalate the matter through a civil dispute or continue attempting to speak to the merchant. Mr L continued to communicate with the merchant.

By November 2024, Mr L got back in contact with Chase requesting further action be taken. This was declined by Chase and it was reiterated to Mr L he should continue to contact the merchant.

Mr L raised a complaint regarding Chase's decision. In its final response letter, it explained that whilst Mr L had reported his claim as a scam, they were unable to proceed as the transactions were for gambling and not for a scam. It said Mr L may refer his case for a civil dispute in order to try to get his funds back. But in essence, it rejected his complaint.

Mr L subsequently brought his complaint to this service. Our investigator didn't uphold his complaint. She explained in summary:

- It wasn't in dispute Mr L authorised the payments as such the starting position is that Chase isn't liable for the transactions
- Whilst M may not be licensed to operate in the UK, that isn't enough to say that it meets the high legal bar to be considered a scam
- Having reviewed the communications between Mr L and M, he was advised that his balance was utilised in the participation of gameplay, so there were no funds to withdraw
- Mr L did deposit funds with M and the funds were utilised for gambling purposes
- Even if she considered M was a scam, she wasn't persuaded Chase ought to have intervened when he was making the payments
- Mastercard rules do not allow chargebacks to be raised for gambling transactions
- She wasn't satisfied any compensation was due as a result of how Chase handled the reporting of his claim

Mr L disagreed. He initially responded explaining that no reference had been made to the incorrect MCC codes being used by the merchant. He said this was the main point which hadn't been addressed at all. He also explained that his payments went to a third-party company I'll refer to as W and not directly to M and therefore this was a scam. Mr L also

says he did not use the funds to play, he says he wasn't able to withdraw money. He also disagreed with the investigator's consideration about the value of his payments and how this ought to have been considered by Chase.

Mr L responded in greater length. I won't repeat the entirety of that here as I'm satisfied he is aware of its content. But I have summarised these below as follows:

- Chase failed to protect Mr L against fraud and high-risk transactions. He considers the payments ought to have been proactively blocked by Chase to this type of merchant and he disagreed that the transactions didn't warrant intervention
- M's operation without a UK gambling license should have prompted Chase to prevent these transactions. And categorising this matter as a "civil dispute" does not exempt them from its consumer protection obligations
- The UK Gambling Commissions confirmation M lacks a UK license is sufficient to classify his transactions as high-risk. Additionally, his inability to withdraw funds from M further substantiates that it operates deceitfully
- Whilst Mr L acknowledges Mastercard rules generally exclude gambling transactions, there are exceptions that exist for fraud and non-provision of services. M's refusal to allow withdrawal constitutes a clear failure to provide the agreed-upon service. Chase failed to explore this nor offer any support, advice or information about being scammed
- Mr L disputes he authorised the payments as they weren't made to M but rather to W – a separate merchant entity that he did not recognise
- Mr L disputes that M provided a service as he was unable to withdraw his funds. He says that is the core of his complaint
- The merchant deliberately misused MCC codes to bypass gambling blocks. This highlights Chase's failure to detect and address this misuse, demonstrating a lack of adequate consumer protection. Mr L says that he should be allowed to dispute the transactions as according to the Mastercard rules, the MCC codes used were invalid or incorrect data
- The continued denial of Mr L's claim has caused him significant emotional and financial distress

Our investigator considered Mr L's comments and provided additional commentary. She acknowledged how strongly Mr L felt about his case but she was unable to uphold his complaint.

Mr L responded further with some additional comments but essentially still disagreed with our investigator. And so he requested his case be escalated to an Ombudsman for a 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.

In this decision I've focussed on what I think is the heart of the matter here. As a consequence, if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider is a fair and reasonable outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

As such, the purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by the parties to this complaint, and reach what I think is an independent, fair and reasonable decision, based on what I find to be the facts of the case.

I'm sorry to hear about the impact the circumstances of the events that occurred have had on Mr L. I acknowledge his strength of feeling towards his case and I appreciate this is likely to come as a disappointment to Mr L. But having carefully considered all the points raised I don't uphold his complaint. Below I've explained why.

In broad terms, the starting position in law is that a bank is expected to process transactions that a customer authorises it to make, in accordance with the relevant Payment Services Regulations and terms and conditions of the customer's account. I have taken that into account when deciding what is fair and reasonable in this case.

The relevant rules on what defines an authorised or unauthorised transaction are set out in the Payment Services Regulations 2017. Broadly they say Chase would only be required to refund Mr L if he didn't make or authorise the disputed transactions himself. Authorisation here carries a narrow meaning. If Mr L made the transactions himself, then it is unlikely to be fair to ask Chase to refund them.

Mr L has made arguments around the authorisation of the transactions. He says he didn't authorise them because they weren't made to M but rather to W – a separate merchant entity that he did not recognise.

It's not uncommon to find that the merchant featured on a bank statement isn't the merchant the consumer thought they were paying. This can happen for various reasons. The merchant may operate under a different trading name, or utilise third party payment processors. In this case, there's no dispute Mr L knew he was making payments towards M for the purposes of gambling. That his funds went via W doesn't alter that position. Furthermore, the evidence presented by Mr L acknowledges that his funds were available on his account with M. And his dispute with M is that he's been unable to withdraw them.

Not every complaint referred to us categorised as a scam is in fact a scam. Some cases simply involve high-risks or in this case payments to a gambling website that could result in disappointing returns or losses.

I've considered Mr L's submissions that he's fallen victim to a scam operated by M. Whilst M might not be licensed to operate in the UK, they continue operating today. And Mr L's exchanges with the UK Gambling Commission confirms that whilst it is illegal for sites that do not hold a licence with them to facilitate gambling with and market to players in Great Britain it advised that *'any consumer that actively seeks out these sites and deposits with them does so at their own risk'*. I simply don't have enough evidence to show M is operating a scam.

Mr L has expressed that he considers that his activity ought to have been deemed unusual such that Chase ought to have intervened to protect him from financial harm. Indeed, banks and other Payment Service Providers (PSPs) should protect against the risk of financial loss due to fraud and/or undertake due diligence on large transactions to guard against money laundering. But having considered Mr L's account activity, I'm in agreement with our investigator – I'm not satisfied the payments ought to have caused Chase concern that warranted intervention.

I acknowledge Mr L feels strongly that Chase failed to offer him support during this time and that its failure has contributed to the circumstances he finds himself. But I can only uphold this part of his complaint if I think Chase failed in its obligations to provide him support having identified him as vulnerable. Chase has provided evidence that the first notification it was given by Mr L of a need to place a gambling block on his account was eight months after the transactions took place in November 2024. I acknowledge all the measures Mr L put in place to protect himself, such as being registered with GAMSTOP since 2011. But that

measure would only apply to online gambling companies that are licensed in Great Britain – which M was not. And that isn't something Chase is responsible for.

Furthermore, Mr L's earlier account activity in March 2024 shows that prior to these transactions in question, it's evident he did have other gambling related transactions – both debits and credits to his account. Therefore, I can't fairly and reasonably conclude there was anything else that ought to have alerted Chase about his activity – especially with how the merchant themselves had coded the transactions.

Turning to how the merchants coded the disputed transactions, I must make clear that this is not the responsibility of Chase. That onus sits with the acquirer. And given the other earlier activity on Mr L's account, it appears that even if the transactions had been correctly coded that gambling related transactions were able to take place on his account.

Mr L has made reference to another final decision in his responses with our investigator, and whilst there are aspects to his arguments that are similarly addressed, the key difference here is with the Chargeback scheme operator. Each case is considered on its own individual merits and in this case, the Chargeback scheme is operated by Mastercard. And as Mr L has already acknowledged, Mastercard's rules generally exclude gambling transactions. This is correct. This service has also reached out to Mastercard to confirm the same. Mastercard is responsible for its own rules and this service has no say on that. Therefore, I can't say Chase was wrong in deciding not to pursue a Chargeback claim in the circumstances.

Overall, it appears that in addition to his complaint against Chase, Mr L in general is unhappy with the way M operates. But this isn't something I can say Chase should reasonably be held responsible for. And in the circumstances, I'm not satisfied any compensation is warranted for Chase's handling of Mr L's claim.

My final decision

For the reasons given above, 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 L to accept or reject my decision before 18 November 2025.

Mark O'Connor
Ombudsman