

The complaint

Ms P complains that J.P. Morgan Europe Limited trading as Chase ('Chase') has not refunded her for a payment she made to an investment scam.

Ms P brings this complaint with the benefit of professional representation. In what follows, for clarity, I will refer however solely to Ms P, even where comments or submissions were made on her behalf by that representative.

What happened

In early 2024, Ms P says she saw an advert for cryptocurrency investments on social media. This appeared to show a well-known celebrity endorsing the investment. She followed the link to register with the company behind the advert.

The name seemed to her to have similarities to that of a legitimate trading platform. Ms P says she was contacted by a representative of the company who seemed professional.

Initially Ms P invested a small sum from a different account. She appeared to be making profits.

Just over a week after making this initial investment, she was told she could get a guaranteed return of double her money (less a nominal commission) if she invested £20,000.

Attracted by the promised returns, Ms P borrowed the money required. On 17 April 2024, she sent £20,000 by Faster Payments transfer from her Chase account. The payee was a company whose name indicated it was involved in "Real Estate".

Chase did contact her about the payment before processing it. During the discussion, Ms P gave a cover story about the payment being to purchase a property lease (which tied in with the payee's name). She reassured Chase she'd received the payee details (sort code and account number) directly from the payee.

However, when Ms P later attempted to make a withdrawal from her investment, she was told she needed to pay more money first. Ms P eventually realised this had been a scam and reported the matter to Chase.

Chase didn't refund Ms P for the money she'd lost. It said it had followed her instructions and she had misled the bank when it had asked her about the payment.

Unhappy with this outcome, Ms P referred her complaint to this service for an impartial review.

Our Investigator considered her complaint about Chase. He noted that Chase's account terms include provision to reimburse scam payments in some circumstances. But it does not apply where Chase considers its customer ought to have known they were being tricked into sending money to a fraudster. The Investigator thought Chase was entitled to have reached

that conclusion in Ms P's case. He said there had been several signs that the investment was not as it appeared, and indeed he thought the investment was implausible. He thought she should reasonably have identified she wasn't dealing with a legitimate company.

The Investigator also considered that Chase had taken proportionate steps when it had initially identified the payment as higher risk. It had asked Ms P appropriate questions, and the answers she had given (and provided confidently and without hesitation) had been sufficient to have reasonably reassured Chase. He didn't find it at fault for not taking further steps.

Ms P didn't agree. Her complaint has therefore been referred to me to make 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.

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 be good industry practice at the time.

Where the evidence is incomplete or missing, I am required to make my findings based on a balance of probabilities – in other words what I consider is most likely given the information available to me.

In broad terms, the starting position at law is that a bank such as Chase is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

That is not the end of the story though. Chase's account terms and conditions include provisions to reimburse payments that are made as part of a scam, in some circumstances.

And taking into account longstanding regulatory expectations and requirements as well as what I consider to have been good industry practice at the time, Chase should have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.

I've carefully considered whether either of these considerations means that Chase is responsible for reimbursing the sum Ms P lost to this scam.

Chase's standard account terms include the following provisions:

"You'll generally get a refund for a payment if you have any of the problems set out below [...]"

A payment where you're tricked into sending money to a fraudster

This is where you: Either intended to send money to a particular person, but you were tricked into sending money to someone else; or sent money to someone for what you thought was a genuine purpose, but which was actually fraudulent. [...]"

If, taking everything into account when the payment was made, we find you should've known you were being tricked into sending money to a fraudster you won't get a refund."

These terms go above and beyond what might otherwise be required of Chase as a matter of regulation, law or good industry practice. But they do not provide for a refund to be given in all situations.

In what follows I will refer to the final sentence I have quoted *“If, taking everything into account when the payment was made, we find you should've known you were being tricked into sending money to a fraudster you won't get a refund”* as being an ‘exclusion’ to reimbursement.

There does not appear to be any dispute in this case that Ms P sent money to someone for what she thought was a genuine purpose, but which was actually fraudulent. I need to determine whether Chase is entitled to rely on the exclusion to reimbursement: in other words where it believes a customer should have known they were being tricked into sending money to a fraudster.

I'd think Chase was entitled to apply that exclusion where its customer made a payment in circumstances where I think they had good reason to suspect that they were being deceived or tricked into sending money to a fraudster.

Here there were a number of signs that I think reasonably ought to have prompted Ms P to have suspicions about this. The returns being offered – essentially doubling her money without any risk – were simply too good to be true. What she was being asked to do in sending her money to a real estate company did not match what she believed the investment to involve. And the apparent need to mislead her bank about the payment was not something I think it is reasonable for someone to consider would be required in making a legitimate investment.

I have summarised my thoughts on this, but suffice to say, I find Chase could reasonably place reliance on the exclusion to reimbursement in its terms and conditions. There was enough going on here that Ms P ought reasonably to have suspected this was not legitimate.

That being said I might not find it fair for Chase to rely on this exclusion were I to find its customer could not reasonably have been expected to identify the scam where most other people would have. I've considered what Ms P says about her situation and circumstances at the time. But I don't consider these are sufficient for me to think Chase would be unfair to apply the reimbursement exclusion. Based on all the evidence here, I think Ms P could have identified the scam risk (and did so not long after without assistance).

In short, I find Chase was not at fault in declining to reimburse Ms P under the account terms.

As I've noted above, I'd also expect Chase to monitor transactions for payments that might carry a significantly higher risk of loss to its customers through fraud or scams and take proportionate additional steps where such payments are identified.

However, banks (such as Chase) must strike a careful balance in this to avoid causing unnecessary friction and inconvenience in otherwise legitimate payment journeys.

Here, Chase flagged the payment Ms P had asked it to make. It did not process her payment instruction until it had been able to discuss it with her.

I've listened to the call between Chase's representative and Ms P. I find she sounds plausible, confident and controlled during the course of the call. There are no obvious signs from her manner that I think Chase ought to have identified as a cause for concern. I don't consider there was any obvious hesitation, or nervousness that might otherwise have

suggested all was not as it seemed.

Chase asked appropriate questions about the purpose of the payment Ms P was asking it to make. It went on to ask further questions about the transaction.

This included asking if Ms P had given anyone remote access using Anydesk, to which she denied. She was asked if she'd opened the account with Chase to move money as part of an investment opportunity to which she also said no.

Of course, in a scam sometimes a consumer will be told to deceive their bank about the payment. Chase would be aware of this possibility. But I cannot expect it simply to disbelieve everything it is told unless there is good reason for it to do so.

And what Ms P told Chase, on the face of the matter, I find to have been plausible. Her explanation was consistent and confidently provided. I know Ms P argues now that Chase ought to have seen through the cover story she had deployed, but I don't agree on this.

There simply wasn't enough here that I think Chase should have continued to have held concerns about the payment. And I don't think there was anything in particular that would have perhaps pointed to this being a cover story. Ms P was a new customer, and with limited prior history to compare it against there was little to say such a transaction wasn't one that would prove normal for her. She in any event explained she did not expect to make another payment to this payee for at least another six months (again consistent with the story she'd given about a property lease).

What she was telling Chase, she stated in what I consider to have been a confident and wholly unflustered manner. Her story was not inconsistent with the (limited) other details of the payment that Chase had access to.

Unfortunately, Ms P's cover story had the effect of misdirecting Chase about the true scam risk. But for this Chase perhaps could have provided a relevant warning about social media investment scams – and that might have prevented Ms P from making the payment. But I don't think Chase could reasonably have known at the time that this was what was really going on. And I don't think I can fairly the bank at fault through not giving Ms P such a specific warning given the information available to it then.

Simply put, I do not find Chase was at fault here. I therefore don't find it could reasonably have prevented this payment from being made rather than processing it as it was otherwise obliged to do. Upon learning of the scam Chase attempted to recover Ms P's funds but without success.

Having carefully considered everything Ms P and Chase have submitted I don't find Chase needs to refund Ms P for the money she lost to this scam. I don't find it was materially at fault here.

In saying this, I don't underestimate the impact on Ms P of the loss of such a significant sum, and I am very sorry to hear about what this has meant to her and the situation she has been left in. However, despite my natural sympathy, it is simply the case that I don't consider I can fairly and reasonably hold Chase liable for the financial loss she sustained through these payments.

My final decision

For the reasons given above, my final decision is that I do not uphold Ms P's complaint about J.P. Morgan Europe Limited trading as Chase.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 28 July 2025.

Stephen Dickie
Ombudsman