

The complaint

Mr O complains J.P. Morgan Europe Limited trading as Chase closed his account when he queried certain questions Chase had asked in a 'Know Your Customer' survey.

What happened

Mr O explained Chase asked him to complete a survey as part of its anti-money laundering (AML) and Know your Customer (KYC) obligations. Mr O explained some of the questions Chase asked didn't seem to be related to either AML or KYC, so he asked Chase why it was asking these questions.

Mr O has since provided further detail explaining he was not prepared to disclose if he is in a civil partnership or not, as this could potentially disclose his sexuality which is a protected characteristic under equality legislation.

Mr O explained he asked Chase for details and reasons why it needed this information. He also asked specifically what legislation or regulations required Chase to ask for this information but said he has not received a sufficient response.

Mr O said Chase told him if he didn't provide the information, it would block his account. Mr O clarified he wasn't refusing to comply with the KYC or AML questions, just that he didn't want to provide excessive or unnecessary information to Chase. Mr O also expressed concerns and asked questions about where Chase would store his information.

Mr O explained the block Chase subsequently placed on his account, after the deadline for completion of the survey passed, meant he wasn't able to pay a deposit on a house he was purchasing, and the sale could have fallen through. Mr O explained if this had happened there would have been significant financial losses, he also described the distress this had caused him.

Mr O provided a series of screenshots showing the timeline of what had occurred and the contact he had with Chase throughout 2024 and early 2025 including its online chat function. This contact is a matter of record known to both parties so I will not repeat it in detail here, but in summary:

- Chase contacted Mr O in late 2024 and asked him to review and update his details.
- Chase then contacted Mr O again about a week later reminding him to review and update his details. This email said if he didn't take this action in the next 30 days Chase may restrict his app.
- Chase sent further reminders throughout January 2025, these also explained if Mr O didn't take the action it outlined, it would block his accounts.
- Mr O used the online chat function to raise objections and query the necessity of the information Chase had asked for and raised a complaint, explaining the difficulties he was facing because of the block which had by now been placed on his account.
- Chase issued a final response in late February 2025. Chase said it needed the information requested to ensure it was complying with AML. It also confirmed the data provided during the KYC check would be stored outside of the UK, but it complied with UK data protection legislation. The letter explained it would close his account shortly.

- Chase tried to call Mr O four times without success

Chase partly upheld Mr O's complaint accepting it hadn't responded to three of Mr O's 'right to object' complaints in time and only discovered these complaints when it reviewed this complaint. It confirmed it had now completed his right to object to marketing and offered £200 compensation for the distress and inconvenience this delay had caused.

Our investigator thought it was reasonable that Chase asked Mr O to complete a KYC questionnaire and thought this was in line with the Financial Conduct Authority (FCA) guidance and its own terms and conditions. They thought Chase had done enough in recognising it delayed responding to one of his complaint points and offering Mr O £200. They therefore didn't think Chase needed to take any further action.

Mr O rejected our investigator's recommendation explaining they hadn't considered the information requested would reveal protected characteristics. Mr O also complained Chase closed his account before any independent process was completed and said this wasn't acting fairly. As a resolution, Mr O explained he wanted the block removing. He also wanted compensation and for Chase to be fined and legal action taken.

As Mr O rejected our investigator's recommendation his complaint has been passed 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.

I appreciate how strongly Mr O feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

Before I set out my thoughts on your complaint, I think it will be helpful if I explain our service's approach to compensation and the circumstances in which we ask businesses to award compensation.

Our service doesn't have the powers to fine companies or change businesses process or procedures, we can only consider whether the customer was treated fairly and reasonably in the circumstances of the case in hand. We consider what did happen, the impact that had on the consumer and what resolves the issues fairly and reasonably for all parties considering all the circumstances.

I have listened to all the calls on the file, and read the evidence provided by both parties before making my final decision. I also asked both parties for further evidence regarding the questions asked as part of the KYC process, particularly with regards to marital status.

Financial businesses are under wide ranging and extensive legal obligations to detect and prevent different types of crime and are obliged to monitor business relationships with customers, often referred to as customer due diligence or know your customer. These obligations mean businesses must ensure they have current information about their customers which it can use to identify a range of activities, such as money laundering, and use this information to detect and protect customers from fraud. Failure to comply with some of these requirements can, and sometimes does, result in severe financial penalties for businesses.

The evidence I have seen shows Mr O first contacted Chase in late November 2024, he explained he didn't consent to providing '*employment information*'.

I requested details of the specific questions Chase asks during these checks, it provided a list of all the questions in the survey, which didn't contain a question about marital status, Chase also confirmed it didn't ask about marital status. Chase confirmed it does ask questions regarding employment, including salary and employer information, which it appears is what Mr O first complained about.

I also asked Mr O whether he had any evidence regarding this question about marital status, but he didn't provide any evidence. I am therefore persuaded, on balance, Chase didn't ask the question Mr O has most recently complained about to our service so I will not consider this further. I do not uphold this part of Mr O's complaint.

As I explained, I can see Mr O initially complained about '*employment information*'. This is not an unusual question, and most banks will ask for such details when opening accounts. Chase explains on its website under '*how to open an account*'; '*we'll also need ... details of employment status and expenditure. We may request additional information or documents in individual cases.*' So, I am satisfied this would have been a clear condition of opening and maintain an account with Chase.

Businesses are required to conduct ongoing monitoring, this includes scrutiny of transactions, to ensure they are consistent with the business' knowledge of the customer. Businesses are also under a duty to report suspicious activity so therefore must have accurate, up to date records about their customers.

Moving on to the necessity and details for KYC, the regulations which govern money laundering, and the checks and questions business can ask aren't prescriptive. Businesses therefore have some latitude to put in place their own policies and processes around this legislation. For me to uphold this complaint, I would need to be persuaded Chase had acted unfairly or unreasonably when asking for information.

Chase explained it requires this information from all customers, it is a condition for opening an account and provided evidence in its final response letter in February 2025 of the legislation and guidance it was seeking to comply with by asking the question in dispute. I am therefore satisfied Chase did provide details of the obligations it was under to obtain this information, and don't think there is sufficient evidence for me to conclude, on balance, Chase was acting unfairly or unreasonably here.

Chase also said it would be closing Mr O's account as he had not agreed to the KYC checks. Furthermore, I can see Chase's executive complaints department attempted to telephone Mr O four times between 26 and 27 February 2025, these calls were unsuccessful and went to voicemail. As these calls were made at the same time the final response letter was issued, I am satisfied it is likely Mr O's account was still open at the time, Chase had finalised its investigation and it appears they wanted to discuss this with him and potentially give Mr O one final opportunity to agree to provide the information requested. I am persuaded this was a fair and reasonable approach to take before closing his account.

Having considered the evidence I also think it unlikely Mr O would have agreed to provide the information requested at this late stage. He had had numerous reminders explained the likely outcome of not complying with Chase's requests and had consistently expressed concerns about Chase's policies and where it chose to hold data, so it is unlikely he would have changed his mind and consented.

Finally, I can see Chase accepted it hadn't recognised Mr O had asked for marketing to be stopped and offered £200 for the distress and inconvenience this caused. I am satisfied this offer is fair and reasonable considering the likely impact of any distress and inconvenience on Mr O. This is in line with what I would expect in the circumstances presented and within the general framework our service uses when assessing compensation amounts. I therefore uphold this part of Mr O's complaint.

Having therefore considered this complaint carefully, I broadly agree with the recommendation of our investigator.

I appreciate Mr O will likely disagree with my decision, but I trust I have explained in sufficient detail my reasoning.

My final decision

For the reasons I have given, my final decision is I require J.P. Morgan Europe Limited trading as Chase to pay £200 compensation for the distress and inconvenience explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 15 August 2025.

Gareth Jones
Ombudsman