

## **The complaint**

Mr R complains J.P. Morgan Europe Limited trading as Chase won't refund money he lost to a scam.

A representative who I will call "F" complains on behalf of Mr R.

## **What happened**

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

In 2023, Mr R was introduced to investing with cryptocurrency after he saw an advert on social media endorsed by a celebrity. Mr R carried out some research into the company and didn't find anything negative. He signed up and was given access to an online portal where he could see his investment growing.

Mr R sent two payments totalling £14,000 from his account with Chase into a cryptocurrency account in his own name, before sending the money on to the scammer. When Mr R wanted to withdraw his money, he was told he'd need to make further payments. It was at this point he realised he'd been scammed.

F complained to Chase on Mr R's behalf. They considered Chase should have asked more probing questions about the payments, as they were out of character for Mr R, and had they done so, the scam could have been uncovered.

Chase looked into what had happened and said they spoke with Mr R about both payments to understand their purpose. They said they provided adequate warnings and explained the risks involved in making the payments. As Mr R went ahead and authorised the payments, Chase said they weren't able to return any of the lost funds.

F brought Mr R's complaint to our service. Our Investigator looked into everything but didn't think Chase should refund the money Mr R lost. She said that the intervention from Chase was enough, and Mr R provided answers that allowed him to continue with the payments.

Mr R didn't agree and so the complaint has been passed to me for review.

## **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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to

do this as it simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr R has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this given the circumstances. However, just because a scam has occurred, it does not mean that he is automatically entitled to a refund by Chase. It would only be fair for me to tell Chase to reimburse Mr R for his loss (or a proportion of it) if I thought they reasonably ought to have prevented all (or some of) the payments Mr R made, or that they hindered the recovery of them.

I've thought carefully about whether Chase treated Mr R fairly and reasonably, both when he made the payments and when he reported the scam, or whether they should have done more than they did. Having done so, I've decided to not uphold Mr R's complaint. I know this will come as a disappointment to him and so I want to explain why I've reached the decision I have.

I have kept in mind that Mr R made the payments himself and the starting position is that Chase should follow their customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr R didn't intend for his money to ultimately go to fraudsters – but he did authorise the payments to take place. However, there are some situations when a business should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, along with the Consumer Duty, there are circumstances where it might be appropriate for Chase to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr R to Chase (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

Chase spoke with Mr R three times regarding the first payment for £8,000. In the first call, Mr R said he was moving the money to his cryptocurrency account. During this call many questions were asked of Mr R regarding his cryptocurrency account, why he had chosen to use an account with Chase, and where the money was going to go after it arrived in his cryptocurrency account. Chase also warned Mr R about scammers who tell customers to move their money through accounts, and then into cryptocurrency accounts. In response to the questions asked, Mr R provided answers that weren't fully accurate.

Chase also asked if Mr R had checked the FCA register, and he said he had briefly done so. He then proceeded to check the scam warning list on his laptop while on the call. The call handler also asked about Mr R's other investments and whether he'd received any returns. Given Mr R had started checking the FCA register on his laptop, the agent asked if he wanted to wait and do further checks before making the payment, or whether he wanted to go ahead. Mr R said he wished to go ahead.

The agent began to proceed with the payment but, given the information provided by Mr R, they suggested that he cancel the payment due to red flags with the information provided and how the payment was being made. The advisor told Mr R to check the FCA warning list before proceeding and confirmed they would send him information on the Take Five website, which followed after the call ended.

A second call took place around 45 minutes later, where Mr R wanted to make the payment again. He was told by the fraud team that the payment had been cancelled and he'd need to try again. The agent also asked Mr R if he opened the account and whether anyone else had control over it.

During a third call about this attempted payment, Mr R told the call handler the payment was for cryptocurrency. He was asked whether he had been asked to open an account with Chase and make the payment, and whether anyone had told him his account was under attack. Mr R answered no to both. Mr R also said he was in control of his cryptocurrency account and that nobody else had access, all of which wasn't accurate. Due to the answers given, the payment was processed.

The following day Chase spoke with Mr R again regarding the second payment for £6,000. The agent asked Mr R why he had transferred money from another bank to his Chase account, to then send it to his cryptocurrency account, rather than just send it straight from his other bank. Mr R said Chase had a simpler process meaning the transfer was quicker. The agent also asked Mr R why he chose to open an account with Chase, and Mr R said if he were to go abroad he could use his Chase card, along with one from a different provider. Mr R also said he hadn't been told to download any software and that nobody had instructed him to move his funds. Chase also asked whether Mr R had checked the FCA register, and Mr R said yes. Given the answers provided, Chase proceeded to authorise the payment.

Had Mr R been open and forthcoming with Chase they may have been able to uncover the scam. Unfortunately, due to Mr R not disclosing the true circumstances of the payments, Chase weren't able to identify red flags such as the involvement of third parties and the presence of additional software. And so, they were reassured that Mr R was making the payments for genuine purposes.

While Chase made it clear that people are falling for scams where they are asked to move money into newly opened accounts and then to cryptocurrency, I do accept that they, arguably, could have asked more probing questions about how Mr R had come across the investment opportunity. I can also see the payments went into his account and back out in quick succession, and I note the comment that the first call handler said he didn't know much about cryptocurrency. However, even if further questions had been asked, I'm not persuaded this would've prevented Mr R's loss. This is because from reading the conversations Mr R had with the scammer, he was sadly, very heavily under their spell, calling the scammer a reliable and kind person.

I note that a lot of the communication between Mr R and the scammer was over the telephone, but it is clear from the chat transcripts provided that Mr R was heavily led by the scammer. On 18 August Mr R claimed that things seemed too good to be true and that he was nervous. He voiced the doubts he had, however the scammer was able to convince him to carry on making payments, guiding him on what to do.

This demonstrates that Mr R was willing to disregard clear concerns that the investment opportunity might not be genuine. It also shows that Mr R was clearly under the spell and to a degree whereby he was willing to follow the scammers' instructions regardless of the risk that he might lose his money.

Because of this, even if Chase had intervened further, I consider Mr R would've acted in a similar manner – that being he wouldn't have provided an accurate account about why he was making the payments, and that he would've likely alleviated any concerns Chase might have had.

Because I'm not persuaded that any intervention would have deterred Mr R from making the payments he did, I won't be asking Chase to reimburse any of the funds lost. I know this will be a disappointment to Mr R, and I am sorry to read of the situation the scammer got him into. But I don't think Chase is responsible for his loss and so, it wouldn't be fair or reasonable for them to provide a refund.

### *Vulnerability*

I've noted that Mr R has said that he was vulnerable at the time because of his caring responsibilities. However, I've not been provided with any evidence to suggest that this impacted his ability decision-making abilities. I've also not seen any evidence that Chase were aware of this vulnerability. Nor do I think from the interactions between Mr R and Chase that they ought to have ascertained he was vulnerable and therefore acted any differently.

### *Recovery*

After the payments were made, I couldn't reasonably expect Chase to have done anything further until Mr R told them he had been scammed.

Unfortunately, as Mr R paid the money to cryptocurrency wallets in his name and then moved the money on to the scammer, any attempt at recovery was hindered. I say this as Chase would only be able to attempt recovery from where they sent the payments, and we know that money had since been forwarded on to the scammer. If it had remained, Mr R could have returned it himself.

Because of the above, I'm not persuaded Chase could have successfully recovered Mr R's funds.

### **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 R to accept or reject my decision before 24 October 2025.

Danielle Padden  
**Ombudsman**