

The complaint

Mrs T, via a representative, has complained that J.P. Morgan Europe Limited trading as Chase ("Chase") failed to refund the money she lost as part of an investment scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mrs T found an advert for an investment firm on a social media site that appeared to be fronted by a well-known celebrity. I will call this firm B.

Mrs T made a number of payments to B between December 2023 and April 2024. These payments originated from a different current account provider. 7 transfers went from Mrs T's Chase account to B. These payments were as follows

Transaction Number	Date	Amount	Type of payment
1	28 December 2023	£10,973.44	Transfer
2	26 February 2024	£49,779	Transfer
3	27 February 2024	£21,000	Transfer
4	5 March 2024	£25,000	Transfer
5	26 March 2024	£24,993	Transfer
6	27 March 2024	£24,964	Transfer
7	22 April 2024	£19,925	Transfer

Mrs T initially reported that she had been scammed in January 2024 to her other account providers. But she then withdrew her scam claim, saying that she had been reassured by B that it was a legitimate investment and so Mrs T carried on making payments to B. Mrs T then realised in April 2024 that she had in fact been scammed after all.

Chase agreed to refund 50% of the final three payments, as it believes that it could have intervened more and it thought that this would have stopped the scam.

One of our investigators looked into this matter and he thought that any intervention from Chase would not have stopped the scam. He said this because Mrs T did not give accurate answers to Chase and her other account providers when questioned about the payments. He therefore did not think that Chase needed to do more than it had already done.

Mrs T did not agree with this and therefore her complaint has been passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

In broad terms, the starting position is that Chase is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

However, taking into account relevant law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Chase should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Chase sometimes does); and
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I think that Chase should have intervened when Mrs T made her first payment, and I can see that it did. I think an appropriate intervention would have been a human intervention with questions being asked about the payment. I can see that Chase did intervene but Mrs T did not provide accurate answers as to what the payments related to. That said I think that further questions should have been asked, but I don't think that this would have stopped the scam.

I say this because Mrs T seems to have been aware that, if she gave accurate answers as to what she was doing, her payments might be stopped. This is demonstrated by her providing misleading answers as to what the payments related to. Some examples of this are that she told Chase that she had not installed remote access software, she was making payments to pay for consultancy services and she was transferring money to one of her other current accounts, because it had better terms, rather than because of an investment.

I think that Chase should have intervened more than it did. But given that Mrs T repeatedly misled all of her current account providers when questioned about the payments, I can't reasonably conclude that any further interventions from Chase would have uncovered or prevented the scam, as I think that she would have continued to mislead Chase as well.

Ultimately, Chase was only required to take proportionate steps to try and protect Mrs T from financial harm. I'm not persuaded she would've shared anything concerning with Chase, had it questioned her more about what she was doing. So overall, I think that Chase should have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam.

I note that the terms and conditions of Mrs T's account at the time of the scam say that she may be entitled to a refund if she:

"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."

With the exception of:

"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."

Firstly, I should explain that the first four payments are not covered as the payments went to an account in Mrs T's own name, rather than directly to the scammer. The final three payments are covered, so I have considered whether Mrs T *"should've known"* that she was being scammed.

Mrs T had already reported that she had been scammed to her other two account providers, before withdrawing her claim. Her husband had concerns that what she was doing was too good to be true and she also knew she could not be honest about what she was doing, or her payments could be stopped by her account providers. Taking all of this into consideration, I think that she reasonably should've known by the three payments in question that she was being scammed. So I don't think that Mrs T is automatically entitled to a refund under the terms of her account.

I've also thought about whether Chase could have done more to recover the funds after Mrs T reported the fraud. I can see that Chase did not try and recover the funds immediately after the scam was reported. It took some weeks before it did try and contact the beneficiary banks. My understanding is that the first four transactions went to accounts where we know the funds were sent on quickly on to the scammer. So there was no prospect that those funds could be recovered.

We don't know when the funds were sent on for the final three transactions. But the bank in question did not even respond to Chase when it attempted to recover the funds. So I don't think that there was realistically any chance that the funds could have been recovered, even if recovery action had been attempted earlier than it did.

I appreciate this will likely come as a disappointment to Mrs T, and I'm sorry to hear she has been the victim of a cruel scam. However, whilst I have a great deal of sympathy for the situation that Mrs T found herself in, I'm not persuaded that Chase can fairly or reasonably be held liable for her loss in these circumstances. So I don't think that it needs to do more than it has already done.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 23 October 2025.

Charlie Newton
Ombudsman