

The complaint

Mr M has complained that J.P. Morgan Europe Limited (trading as Chase) registered a fraud marker against him.

What happened

Both sides are most familiar with the case, so I'll summarise things in brief.

In early 2023, Mr M opened an account with Chase. In spring 2023, Mr M began receiving various credits from third parties which he then sent on. Chase received information that Mr M had forwarded on fraudulent funds. This centred around a £700 credit. Essentially, the money had come from fraud, and had been sent to an individual who forwarded it to Mr M, then Mr M sent it on to his international money transfer account, then he forwarded it again.

Chase closed Mr M's account and registered a fraud marker against him.

In 2024, Mr M got back in touch with Chase about this. Chase directed him to a fraud database, but not the one they'd logged this marker with. Mr M did later manage to find the right database, and complained.

Mr M said he received the money for selling his two consoles, initially via an online auction site, then via text. He said he'd lost access to the auction account, the attached email account, and his text message history, so he couldn't provide any evidence of this. And he said he handed the goods over in person, so he had no proof of postage either.

Our Investigator looked into things independently and didn't uphold the complaint. Mr M asked for an ombudsman's final decision, so the complaint's been passed to me to decide.

I sent Mr M and Chase a provisional decision on 25 June 2025, to explain why I didn't think the complaint should be upheld. In that decision, I said:

First, I should explain that while I have read and taken into account everything which both sides have said and provided, I won't necessarily comment on every single point or piece of evidence, as a court might. We're an informal dispute resolution service, here to decide cases more quickly and informally than a court. So instead, I'll keep my decision focused on what I've found to be the key points.

In order to support this marker, it's not required to prove beyond all reasonable doubt that Mr M did something wrong. There do need to be reasonable grounds to believe that he misused his account, which go beyond a suspicion or concern, and which are supported by the evidence at hand. Based on what I've seen so far, I currently find that this marker should remain. I'll explain why.

The activity on Mr M's account was highly consistent with fraudulent use. For example, it had been recently opened, and by the point of this incident the bulk of its usage was receiving and forwarding on funds in a manner consistent with that of a money mule. When the fraudulent funds came in, Mr M acted quickly to send them on, some by bank transfer or international transfer to third parties, and some to another account of his via his international account, such that the money couldn't be recovered once the fraud was reported. Mr M appears to have benefitted from the fraud himself.

While Mr M has provided a lot of evidence, and I appreciate his efforts in doing so, I'm afraid that most of the evidence he's provided is either not relevant or doesn't substantiate what he says he got this money for. Fundamentally, he has not evidenced that he was ever entitled to the money he received, nor that this alleged sale of consoles ever happened, even when it would've been straightforward to evidence such a sale. Mr M sent videos of someone holding consoles and of some unidentified people, but that doesn't show he ever sold these consoles or that it ever related to these fraudulent funds. The payment reference does not match up to the alleged sale, nor do the recent conversations Mr M sent from the alleged buyer. Mr M claimed his account on the auction site was banned and closed, and the linked email account was lost, meaning he couldn't evidence the sale. But I can see that his auction account continued to operate and is actively selling now, and it seems to be attached to an email he's still been using. His auction account also displays no record of this sale.

While Mr M said the £700 was from the sale of his two consoles, and he only knew the sender from that sale, he'd also received a credit of over £250 from that sender before. Mr M then said he must've taken a part payment as a deposit first or sold his consoles to them one at a time. But looking at what those models were selling for at the time, it's not very likely or plausible that he would've got over £950 for them.

Mr M also provided his conversation with an unrelated person from about two months later, about another attempted sale which didn't go through. Notably, the console pictured there is the same console he said he'd already sold here beforehand, in the same box.

So Mr M has not evidenced this alleged sale, even when such evidence should've been straightforward to provide. And the wider evidence undermines his testimony.

As noted before, Mr M's wider account activity was consistent with that of a money mule, too. He now says he was forwarding funds on for the international supply chain of a clothing business he was running. But the transfers went to individuals, not companies or suppliers, and the only evidence Mr M provided of his international clothing business was some personal emails with a UK printing firm asking them to embroider a small batch of T-shirts, with nothing to link that to the money he was forwarding on nationally and internationally. It also doesn't explain why he was getting all this money from third party individuals.

Mr M has evidenced that he's in contact with the person who sent him the fraudulent funds, though he's seemingly lost or deleted all the messages from 2023. But I don't doubt he knew the sender – the problem is that from what I can see, they acted together to forward on the proceeds of fraud. If Mr M only knew the sender through an online auction, then it's unclear why they had friends in common, nor why the sender has refused to help Mr M evidence the sale. They'd have little reason to refuse if their transaction had been legitimate.

I do acknowledge that Chase didn't investigate properly at the time. But we now have, and given the evidence at hand, I find that the marker should remain. So I don't think it was likely to have made a substantive difference even if Chase had investigated at the time. This is a difficult message for me to give, and I know it's a difficult message for Mr M to receive. But given the evidence I have so far, and the balance of probabilities, I'm currently unable to reasonably reach any other conclusion.

Given the fraudulent nature of the activity, I also find it was fair for Chase to close Mr M's account without advanced notice. In a similar way to how Mr M can choose who he banks with, Chase can broadly choose who banks with them. I can see they closed it in line with the terms. They sent the closure correspondence to the address on file and Mr M's email, and I can see Mr M received it because he read it out loud during a recorded call. I can see the balance was paid out as requested.

I do agree that Chase caused Mr M some real inconvenience by referring him to the wrong organisation, though the impact of this was fairly limited given that I've found the marker should remain anyway. But that did mean some wasted time and effort on his part. Taking into account the impact this had, along with our guidelines for compensation, I think Chase should pay Mr M £50 to put right what they got wrong in mis-referring him.

I said I'd consider anything else anyone wanted to give me – so long as I received it before 9 July 2025. Chase accepted the provisional decision. We didn't receive anything further from Mr M.

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.

Neither side have given me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

My final decision

I find that this fraud marker is fair, but that J.P. Morgan Europe Limited should pay Mr M £50 compensation for misinforming him. I do not make any further award.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 August 2025.

Adam Charles
Ombudsman