

The complaint

Mr M is unhappy that J.P. Morgan Europe Limited trading as Chase (“Chase”) won't reimburse him the money he sent to a third-party to instal a boiler which malfunctioned shortly afterwards.

What happened

I'm not going to cover all the points raised in detail. The view of 4 July 2025 covered the details of Mr M's testimony. But briefly between December 2024 and January 2025, Mr M made three payments to an individual (I will refer to as S in this decision) for a boiler to be installed. Shortly after installation, the boiler malfunctioned, and Mr M discovered aspects of the job had not been completed. S promised to return to complete the work but never did. Mr M then discovered S was not registered to fit boilers and this was a breach of safety regulations.

Mr M complained to Chase that he'd been the victim of a scam. Chase said this was a civil dispute between Mr M and S.

Mr M bought his complaint to this service. Our investigator did not uphold the complaint. He said the matter was a civil dispute which isn't covered by the new Reimbursement Rules. Mr M didn't agree. He said that S had misrepresented his credentials, and he would never have authorised the payment if he'd known the installer was unregistered. The messages he had with S indicate use of pressure, deception and evasion. The previous payments Mr M made to S are irrelevant. The payments were not for the purpose Mr M intended. The matter is under regulatory referral to the Health and Safety Executive.

As the complaint could not be resolved informally it has been passed to me for 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've come to the same outcome as the investigator for broadly the same reasons.

I'm sorry to hear about the situation Mr M has been left in. He's paid money for a boiler to be fitted that malfunctioned shortly afterwards and since discovered S was not registered to fit boilers.

It's clear that Mr M feels strongly that S tricked him. From his perspective, S fitted a malfunctioning boiler, didn't complete the job and misrepresented his status. But I don't have the power to decide any dispute between Mr M and S. There may be other parties who he could pursue, but that isn't within the remit of our Service. My role is limited to looking at whether Chase has treated Mr M fairly.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where I can't know for certain what has or would have happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

In 2024, the Payment Systems Regulator required the Faster Payments scheme operator (PayUK) to change the Faster Payment Rules to require the firms that operate over Faster Payments to reimburse their customers sums paid as a result of APP (authorised push payment) scams (herein after referred to as the Reimbursement Rules) in certain circumstances. These Rules came into force on 7 October 2024.

In this case, I've first considered whether the Reimbursement Rules and associated guidance issued by the PSR are relevant to the payment in dispute. Where they are relevant, I must have regard to the rules and guidance, as well as considering what is fair and reasonable in all the circumstances of the complaint.

The Reimbursement Rules¹ set out the requirements for a payment to be covered and sets out the features and definition of an APP scam. The Rules specifically define an APP scam as:

“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer's Relevant account to a Relevant account not controlled by the Consumer, where:

- The recipient is not who the Consumer intended to pay, or*
- The payment is not for the purpose the Consumer intended”*

And the Rules specifically outline that private civil disputes are not covered. The term private civil dispute is defined in the Rules as:

“A dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”

¹ <https://www.wearepay.uk/wp-content/uploads/2024/09/FPS-Reimbursement-Rules-Schedule-4-v3.0.pdf> at paragraphs 3.8-3.10

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

“2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act.”

2.5 provides an example of when this might apply:

“...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.”

Turning to the definition of an APP scam, Mr M paid S and this was the person he intended to pay. So, for Mr M to have been the victim of an APP scam, I would need to be satisfied that S was acting fraudulently or dishonestly to deceive Mr M about the very purpose for which his payment had been procured. Here the purpose of the payment was to install a boiler for Mr M.

Mr M's purpose was to have a boiler installed and S's purpose was to install it – so these do match. Mr M did have the boiler installed; his issues instead stem from the quality of that installation and S's misrepresentation of his credentials.

While some of the issues Mr M has highlighted might suggest S wasn't acting as I might expect a professional to do, acting unprofessionally does not mean someone intended to operate a scam. And whilst an investigation in relation to other matters might ultimately show that S breached safety regulations, it does not necessarily show in relation to the specific transactions carried out in this particular case that they were made to an APP scam.

And I recognise that if Mr M had understood the true quality of the installation and the extent of S's misrepresentation about his credentials, it's very unlikely he would've proceeded with it. But those things are not a relevant consideration here. Mr M's transactions need to meet the specific definition set out for the Reimbursement Rules to apply – and they don't. And as the issues stem from the quality of that installation and S's misrepresentation of his credentials, this is something Mr M would need to pursue with S or other avenues outside of his bank such as the Health and Safety Executive as I understand he has now done.

Overall and on balance I don't find this situation meets the definition of an APP scam as set out in the Reimbursement Rules. As Chase didn't need to consider this as an APP scam then it didn't need to go on to contact the recipient account provider.

In addition, Chase doesn't have any duty or obligation to intervene in payments that are legitimate or to protect its customers from the impact of a bad deal. So, I can't fairly criticise Chase for not doing more when Mr M made the payments.

Mr M has my sympathy, in that he has had issues with the boiler installation and subsequently discovered S misrepresented his credentials. I'm in no way saying Mr M did anything wrong or that he doesn't have a legitimate grievance against S. But I can only look at Chase's responsibilities here.

Overall, I don't think Chase has treated Mr M unfairly when it made the decision not to reimburse Mr M. For the reasons I have explained, I'm satisfied Mr M isn't due a refund under the Reimbursement Rules nor can I see there are other grounds on which I could say that Chase should, fairly and reasonably, bear the responsibility for Mr M's loss.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 2 January 2026.

Kathryn Milne
Ombudsman