

The complaint

Mr D is complaining that J.P. Morgan Europe Limited trading as Chase (“Chase”) won’t refund the payment he made to a scam.

Mr D is professionally represented in bringing his complaint, but for ease of reading, I’ll refer to all submissions as being made by Mr D directly throughout this decision.

What happened

The detailed background to this complaint is well known to both parties and has also been set out previously by the investigator. The facts about what happened aren’t in dispute, so I’ll only set them out briefly here.

In short, Mr D fell victim to a safe account scam in September 2024. He received a call from someone who said they worked for a firm he also had an account with, (I will refer to the firm as “R”). This person (the “scammer”) said that some transactions had flagged up on its systems, but no money had been taken. Mr D advised the scammer took him through security and knew information about his account, so he thought it was a genuine call. The scammer explained they would inform his other banks about the issue to make sure it wasn’t a malware issue.

Mr D then received another call from someone pretending to be from Chase (another scammer) who advised a third party had attempted to log onto his account and that it would block this. The scammer advised Mr D that his account was at risk, and he needed to move his money to keep it safe. As a result, Mr D moved funds from his Chase account to his account with R.

Mr D was called back by the scammer pretending to be from R. They highlighted a transaction had been attempted but it was declined due to insufficient funds. Mr D advised he checked his account during the call, and he could see declined transactions on his account history, so he thought that the call and information shared in it was genuine. Mr D was told he would get his money back for all the transactions and that R would be sharing a code with him to help secure his account.

Mr D advised he was worried about losing his funds and wasn’t thinking clearly at the time. So, when he received a text message from R with a code on it, he shared it with the scammer, believing what the scammer had told him about securing his account. This was despite a message in the text explaining that it shouldn’t be shared. This allowed the scammer to set up Apple Pay and make purchases using his R account.

Mr D advises that after he had some time to think about the phone calls, he realised he might have been scammed. He contacted Chase to report this. Mr D made a one-off payment of £15,113.97 on 23 September 2024 as a result of the scam.

Mr D raised a complaint with Chase. It didn’t think it had done anything wrong by allowing the payment to go through. So, Mr D brought his complaint to our service.

Our Investigator looked into the complaint and upheld it in part. He explained that Chase should have identified Mr D's payment as high risk and carried out further enquiries. The Investigator thought that the scam would have come to light if it had done this. He also explained that both Chase and R should be held equally responsible for Mr D's losses. So, in the circumstances he thought liability should be split between both firms. He also explained that in the circumstances Mr D hadn't acted negligently so he didn't think a reduction should be made to the refund due to him.

Mr D accepted the outcome, but Chase remained unhappy, so the complaint 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.

In broad terms, the starting position at law is that a bank such as Chase is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators 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 in September 2024 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;
- 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) and the different risks these can present to consumers, when deciding whether to intervene.

Should Chase have recognised that Mr D was at risk of financial harm from fraud?

I've considered whether there was anything about the circumstances surrounding the payments that could have put Chase on notice that it was being made as part of a scam. And I think there was. I'll explain why.

It isn't in dispute that Mr D has fallen victim to a cruel scam here, nor that he authorised the disputed payment he made. But as I've explained above, Chase should have had appropriate systems for providing warnings and carrying out further enquiries before it

processed such payments. So, I've gone on to consider, taking into account what Chase knew about the payment, at what point, if any, it ought to have been concerned that Mr D was likely at a heightened risk of fraud. And if so, whether it should have intervened, for example by providing an online written warning, or by contacting Mr D directly, before releasing the payment. But I'd expect any intervention to be proportionate to the circumstances of the payment.

Chase has argued that Mr D's account has been open since 2022 and that Mr D has made several transactions to his R account in this time, so the payment wouldn't have appeared suspicious. But having reviewed the information on this I don't agree that the payment wouldn't have stood out as suspicious. Although I agree there is a history of making payments to his R account, Mr D did not move large sums of money in any of those transactions and there wasn't a history of moving larger sums to other accounts in the months before the scam. This payment also represented Mr D's entire balance. This was a significant movement of funds from his Chase account to his account with R in a manner which was consistent with a scam of this type. So, I think it should have caused Chase concern that Mr D may have been at risk of financial harm and it should have intervened.

Chase should also have been aware of the increase in multi-stage fraud when considering the scams that its customers might become victim to. Multi-stage fraud involves money passing through more than one account under the consumer's control before being sent to a fraudster. We have seen a significant increase in this type of fraud over the past few years - and it's a trend Chase ought fairly and reasonably to have been aware of at the time of the scam, so this should have prompted it to intervene.

From the information provided I am unable to see that Chase intervened when Mr D made the payment. Considering the value of the payment and the risks described above I think a proportionate intervention from Chase would have been for it to have intervened and discussed the payment with Mr D in more detail.

If Chase had discussed the payment with Mr D, would that have prevented the loss he suffered?

I've carefully considered whether further enquiries from Chase would have made a difference to Mr D making the payment and I think it would have. Mr D had not been coached or given a cover story by the scammer. So, if Chase had intervened as I would have expected it to and asked probing questions about the nature of the payment, it would have been able to uncover the scam, especially as he thought he had been speaking to Chase and not a scammer and that he was moving his funds as his account had been compromised. Given the prevalence of safe account scams, Chase would know that no firm would tell a customer to move funds to a 'safe account' as a result of fraud on the account, and that this was a very strong indicator that Mr D was being scammed.

I'm also mindful this was a 'text-book' safe account scam which Chase could have uncovered through a suitable line of questioning. Had Chase told Mr D he was more likely than not talking to a scammer and advised him of some of the common features of safe account scams, many of which applied to him, I'm persuaded he likely would not have proceeded to make the payment which would have prevented the losses he suffered.

I have taken on board Chase's comments on splitting liability between it and R and its comments that it's not reasonable to hold it liable for 50% of the losses suffered. However, if Chase had taken the steps I'd have expected, as I have explained above, the losses could have been prevented. The fact that the money wasn't lost at the point it was transferred to R doesn't change that I think Chase can fairly be held liable in such circumstances.

So, for the reasons I have set out above, I am satisfied that it would be fair to hold Chase responsible for some of Mr D's losses.

Should Mr D bear some responsibility for the loss?

I've thought about whether Mr D should bear any responsibility for his loss. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all of the circumstances of this complaint including taking into account Mr D's own actions and responsibility for the losses he has suffered.

I don't think Mr D's actions, or inactions, fell below the standard expected of a reasonable person. Unfortunately, Mr D fell victim to a highly sophisticated and well-orchestrated scam.

The fraudsters had to take some steps to persuade him that they were calling from his bank – he doesn't appear to have simply accepted their explanations at face value. For example, they took him through security. He also confirmed they knew some basic information about his account. I'm also mindful that Mr D didn't approach things with a complete disregard for risk. He checked his account with R to see if there were any fraudulent transactions on it. He'd assumed this information would only have been available to a genuine employee of the bank. His earlier call with R also made him think Chase had called him. So, I don't think it was unreasonable for him to move his funds based on this information.

Mr D had been called by an international number, but he didn't think this was concerning. This was because he thought Chase was an international bank so it could have called him from outside the UK, and I don't think this was an unreasonable opinion in the circumstances. And although Mr D was transferring his funds to R, which originally was the compromised account, he was told by the scammers that it was safe to use after they dealt with the malware issue on the account. So, he didn't think there were any further concerns with this account when he made the payments.

It's clear that Mr D didn't have time to take on board and process what was happening. We know from experience that perpetrators of this type of fraud try to prevent consumers from pausing to think by talking continuously and repeatedly stressing the urgency of the situation. The recollections Mr D has given us suggests that was the case here and, as a result, it was inevitably more difficult for him to protect himself in the circumstances.

Overall, I'm not persuaded that Mr D was contributorily negligent and so it wouldn't be fair and reasonable for Chase to make a deduction from the compensation it pays him.

I've considered whether Chase could have done anything to recover Mr D's payment once the scam was uncovered, but because the payment was sent to another account in Mr D's name, and then on to the scam, it wouldn't have been possible for Chase to recover the funds.

Putting things right

As R was involved in the payment journey that led to the loss of Mr D's funds its involvement has also been considered when deciding how Chase should put things right.

Mr D sent £15,113.97 from his Chase account to R. This amount was then used to fund two payments from his account at R totalling £13,400.47 (including fees) and was lost to the scam.

R agreed it could have prevented the loss, and as explained above Chase could have intervened and done the same, so in the circumstances liability should be split between the two parties.

In summary to put things right Chase should refund Mr D £6,700.24 (50% of £13,400.47).

Chase is required to add 8% simple interest to the amount it pays Mr D from the date of loss to the date the payment is made (less any lawfully deductible tax).

My final decision

I uphold this complaint in part and require J.P. Morgan Europe Limited trading as Chase to put things right by doing what I have outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr to accept or reject my decision before 15 January 2026.

Aleya Khanom
Ombudsman