

## The complaint

Mr A complains J.P Morgan Europe Limited trading as Chase unfairly closed his accounts and applied a Credit Industry Fraud Avoidance System ('CIFAS'- the UK's fraud alert service) marker against his name.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A held multiple accounts with Chase - two savings accounts and a current account, which were opened in March 2024. In February 2025 Chase reached out to Mr A to explained that his accounts had been placed under review and a decision was made to close his accounts.

As part of its review Chase also loaded a CIFAS marker against Mr A for '*misuse of facility*'. Mr A raised a formal complaint regarding the closure of the account and application of a CIFAS marker by Chase. Mr A said the marker would affect his holdings with other banks, and Chase's decision was unfair as it had failed to ask him about his account activity. Mr A also explained that his brother had been using his mobile device and Chase account and he was responsible for this activity.

Chase reviewed Mr A's complaint and comments about his account but maintained its decision to review and close the account was fair, and it had acted in line with the account terms and conditions. It also confirmed that the application of the CIFAS marker was fair. Mr A didn't think this was fair and referred the complaint to our service.

An Investigator looked into Mr A's complaint and gathered the relevant evidence. Mr A provided information about his brother's use of the account, and explained he didn't want his accounts reopened, but he wanted the CIFAS marker removed.

The Investigator didn't think the complaint should be upheld. The Investigator explained this was because:

- Chase has shown it received a report that payments into Mr A's account in July 2024 were fraudulent.
- Mr A says his brother used his device and accessed his account, but Mr A provided permission for this, and Mr A would've been aware of the account activity.
- The loading of a CIFAS marker was fair, and Chase had provided evidence to show the standard of proof had been met.

Mr A didn't accept the Investigator's findings and maintained he had been treated unfairly. Chase provided further evidence to support its position, and the Investigator's view remained unchanged.

As no agreement could be reached the complaint was referred to me – an ombudsman – for a final 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.

I appreciate Mr A was disappointed by the Investigator's opinion. I'd like to reassure Mr A that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Chase has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr A, but I'd like to reassure him that I have considered everything that he's told us.

As a UK financial business, Chase is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Chase needs to restrict, or in some cases go as far as closing, customers' accounts.

As part of these regulatory duties, businesses will use databases to share information. CIFAS is a fraud prevention agency, which has a large database on which information is recorded to protect financial businesses and their customers against fraud. When a bank is a member of CIFAS, it can record a marker against a customer when that customer has used their account fraudulently. This type of marker will stay on a customer's record for a specific period, depending on the customer's age and will usually make it difficult for that customer to take out new financial products. CIFAS forms an important part of the financial services regulatory framework and is intended to assist in the detection and prevention of financial crime.

In order to file such a marker, Chase is not required to prove beyond reasonable doubt that Mr A is guilty of a fraud or financial crime, but it must show that there are grounds more than mere suspicion or concern. CIFAS says:

- There must be reasonable grounds to believe that an identified fraud or financial crime has been committed or attempted; and
- The evidence must be clear, relevant and rigorous such that the member could confidently report the conduct of the subject to the police.

What this means is that Chase will need strong evidence to show that Mr A has used the account to receive fraudulent funds. A CIFAS marker shouldn't be registered against a customer who has acted unwittingly – there must be evidence of a deliberate fraudulent action. The application of a CIFAS marker can have serious consequences for an individual, so this service expects business to carry out a thorough review of the available evidence.

My role is to establish if Chase has sufficiently demonstrated it has met the burden of proof set out by CIFAS to load the marker against Mr A. Chase has provided this service with details of the investigation it carried out following the fraud report it received and Mr A's complaint. This included a detailed review of Mr A's account activity and testimony. At the

time it loaded the marker against Mr A it didn't ask him directly to prove his entitlement to funds or about the account usage. Chase has explained the nature of the reports it received meant it didn't consider this appropriate, and it also had information already regarding Mr A's account and its activity to fairly load the marker. I've considered this, and I agree that the necessary standard of proof had been met.

Mr A has maintained that he was helping his brother by allowing him access to his device and Chase account, and he was completely unaware the account was being used to receive fraudulent funds. I've thought about this carefully, and I appreciate the arrangement between Mr A and his brother was based on trust. But the technical evidence Chase has provided shows Mr A had a level of awareness about the account activity and transactions carried out. I am also mindful that the incoming payments were made in July 2024, so Mr A had many months to note them and query them with his brother, but it doesn't seem any action was taken at this time regarding these payments. It's also important to highlight that Mr A had breached the account terms by providing access in this manner to his brother.

When Mr A referred the complaint to this service he reiterated his version of events. The Investigator didn't find this evidence persuasive. Overall Mr A's comments and the supporting evidence don't allay the concerns regarding fraud and his involvement with this. My review of this information, alongside the submissions made by Chase to this service has led me to the same view reached by the Investigator. The evidence available equates to more than mere suspicion or concern of fraudulent activity. I therefore find that the marker was loaded fairly. It also follows that Chase's decision to immediately close Mr A's account was fair and in keeping with the account terms and conditions. Chase has confirmed it will not reopen Mr A's account or provide him a new one, and in light of the CIFAS loading I consider this to be reasonable and in keeping with its discretion over who to offer services to.

I appreciate Mr A will be disappointed with my decision and I fully appreciate the impact the fraud marker is having on him. But I am satisfied Chase acted reasonably in taking this action to discharge its regulatory obligations. I hope my decision provides some clarity around why I won't be asking Chase to take any further action.

### **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 A to accept or reject my decision before 7 January 2026.

Chandni Green  
**Ombudsman**