

The complaint

Mr B complains that J.P. Morgan Europe Limited trading as Chase ('Chase') failed to explain why it required certain personal information from him as part of a review and then threatened to restrict his account if he did not provide this.

What happened

Mr B has an account with Chase. In October 2024 Chase reviewed the account and asked Mr B for personal information, some of which Mr B provided. However, he did not answer questions about his employer and expected income.

Over the month that followed there was some back and forth contact between Mr B and Chase. In summary, Chase said it needed this information as it is required to have up to date details about Mr B as part of FCA regulations to verify his identity and help keep the account safe – and that if Mr B did not provide the information, it would then impose restrictions on the account. Mr B said Chase failed to explain why it needed this information, with reference to the specific sections of the relevant regulations. He noted other banks had not requested this personal information. He also said Chase failed to give appropriate warning that it would restrict his account.

Mr B complained. Chase looked into things, issuing a final response letter (FRL) on 21 November 2024. It didn't uphold his complaint. It said there was no identifiable error with the process it had followed, or the customer service Mr B had received. However, in the interests of bringing things to a resolution it did offer him £30 – something Mr B declined.

Mr B disagreed with Chase's response and brought his concerns to our Service. Our Investigator looked into the matter and felt Chase had acted reasonably and so didn't think any compensation was due. However, they noted Chase had offered £30 and that this offer was still available to Mr B should he wish to accept it.

Mr B didn't agree. He felt the way Chase had treated him was poor. He was also unhappy with the service Chase had provided since it issued its FRL ie. not calling him back; sending his complaint responses in his app which was by then restricted; not making payments that it had agreed to make; and denying him access to his funds following the restrictions being put into effect. He also said Chase now had knowledge of his occupation and the sector he worked in and that as such the restrictions it had placed on his account were disproportionate.

Our Investigator advised Mr B that within this complaint, our Service was considering the matters covered in the FRL that Chase issued on 21 November 2024 and that any other complaints would need to be considered separately.

Mr B remained unhappy and so asked for an Ombudsman to consider things.

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'd like to be clear that in this decision I am considering the complaint issues covered in the FRL issued by Chase on 21 November 2024. In summary, this is about:

- Whether it was fair for Chase to request this information from Mr B in order for him to continue using his account.
- Whether Chase provided sufficient information to Mr B to help him understand the basis for this request.
- Whether Chase gave Mr B sufficient warning of the restrictions.

So, any further complaints Mr B wishes to raise with our Service about Chase's actions after this point would need to be considered separately.

As a regulated financial business, Chase is required by law to understand how its customers fund their accounts. The 2017 Money Laundering Regulations (as amended) means Chase is required to understand the source of its customers' funds and, where relevant, the source of wealth, and to apply ongoing monitoring to ensure transactions are consistent with what it knows about its customer.

This is not a box-ticking exercise. To comply with these regulations, it's not enough for Chase to show that it followed a specific procedure or asked for a specific list of documents. The regulations are deliberately flexible. They require businesses to design their own policies, processes and controls to manage the risk of money laundering and terrorist financing. The checks they carry out will depend on their own assessment of risk and what they know about their business and their customers. Where a business cannot complete these due diligence measures, it won't be able to carry out a customers' instructions and may be required by law to close an account.

I've thought about what this means for Mr B's complaint.

In Mr B's case, Chase asked Mr B for information to better understand the source of the funds he would be paying into the account. Based on what I've seen, I'm satisfied Chase's regulatory obligations required it to understand the source of Mr B's funds – and I'm satisfied that it was acting in line with these obligations when it asked Mr B to provide additional information to help it do this. I appreciate other banks Mr B has accounts with didn't ask for this specific information, but as outlined above – each business is required to develop its own policies, processes and controls to manage risk and so this difference doesn't mean the questions Chase asked were unfair.

Mr B thinks Chase failed to sufficiently explain, with reference to the relevant legislation, why it needed this specific information. But I can see that it explained its obligations in general terms in October 2024. Then on 4 November 2024 it provided links to the key regulations and guidance that informed its process including: Joint Money Laundering Steering Group Guidance; Regulation 27 and 28 of the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017; and Sections 3.2.3 and 3.2.4 of the FCA handbook. Taking this into account, I think Chase made reasonable efforts to help Mr B understand why it required this information. I appreciate Mr B felt Chase ought to be more specific. But as I've already explained, the regulations don't set out a prescriptive list or specification for the information firms must ask for. So, the specific reference to this information within the regulations that Mr B was requesting didn't exist. The focus of the regulations is not on asking for specific documents, but on whether the business actually understands the source of the customer's

funds and wealth. When Mr B objected to providing this information, it meant that Chase could not comply with this legal obligation.

Whilst I appreciate Mr B may want to understand more about the risk assessment carried out by Chase here in formulating its policy and procedures (which differed from other banks Mr B had relationships with), Chase also doesn't have to share its internal policies with Mr B.

In terms of the restrictions to Mr B's account, I can see Chase warned him on 30 October 2024 that restrictions would be applied to the account if he didn't provide the requested information. And on 4 November 2024 it gave a more detailed breakdown of what restrictions would be applied and when. So, I am satisfied Chase did warn Mr B.

For completeness, I note Mr B also mentioned that Chase didn't request this information when he first opened his account. But as I've already said, its obligation under the regulations is ongoing – so Chase may need to carry out additional checks at any time throughout the business relationship to ensure it is meeting its ongoing responsibilities.

I'm aware Chase offered Mr B £30 to resolve the complaint but this was declined. As I have not upheld this complaint, I make no direction for it to make this payment.

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 B to accept or reject my decision before 28 October 2025.

Jade Cunningham
Ombudsman