

The complaint

Mr T complains that J.P. Morgan Europe Limited, trading as Chase, unfairly loaded an adverse fraud marker against his name.

What happened

As the circumstances of this complaint are well known to both parties, I have summarised them briefly below.

Mr T held an account with Chase. In early 2025, Chase received a fraud report from a third-party bank regarding a payment that had been made from its customer to Mr T's account.

Chase placed restrictions on Mr T's account while it carried out a review. And after completing this review, it decided to close his account. It also placed an adverse fraud marker against Mr T's name on the Cifas database, stating that he'd misused his account.

Unhappy with the actions of Chase, Mr T complained. Chase investigated Mr T's complaint but found it had restricted the account, closed it, and loaded the fraud marker correctly. It did however find that there were some customer service failings for which it offered to pay £25 in compensation for the inconvenience caused.

Mr T rejected that offer and brought his complaint to our service for an independent review. An Investigator considered the evidence provided by both parties but didn't recommend Mr T's complaint be upheld.

Mr T rejected that assessment, so the matter was passed to me to decide.

On 22 August 2025 I issued provisional findings to both parties, providing until 5 September 2025 for any further comments to be considered before reaching my final decision. That provisional assessment read as follows:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Further considerations

Prior to issuing this decision, I reached out to Chase in an attempt to informally resolve the complaint. After reviewing the evidence in full, I was minded to reach a different outcome to that of the Investigator. In summary, my reasons for doing so were as follows:

- Chase had failed, in part, to follow Cifas guidance—specifically that within the Money Mule Guidance 2020—before loading the marker.
- Having reviewed the evidence Mr T had provided our service, it appeared that he did receive the funds that were reported as fraudulent for legitimate reasons and in good faith.
- Mr T's testimony had remained consistent throughout.

I provided Chase an opportunity to review the evidence Mr T had submitted, re-evaluate its position and, if this had changed, offer compensation.

After doing so, Chase decided to remove the marker and offer Mr T £400 in compensation for the distress and inconvenience caused. That offer was put to Mr T and was rejected.

Mr T argued that he was owed a significantly higher sum of money in compensation. He listed the following reasons for why he was owed more than was offered (I have only included those I deem relevant to this complaint):

- Emotional distress from unpaid bills and account closures.
- Exacerbated pre-existing health conditions.
- Lost time attempting to rectify the issue.
- Failure to pay cashback held within the account.
- Loss of reputation and credibility with regards to crypto trading.
- Higher finance interest rates.

Account restrictions

On 27 February 2025, Chase received a report from a third-party bank that Mr T's account had been in receipt of fraudulent funds. It therefore decided to place restriction on Mr T's account and carry out a review. I don't find this to have been an unreasonable course of action.

Chase is required to investigate such reports and ensure its accounts are not being operated for the purposes of laundering the proceeds of crime. It also sets out in its Terms and Conditions that it can block an account if it reasonably suspect that there has been a fraudulent use of the account. I find that it did have reasonable suspicion in the circumstances of this complaint when considering the fraud report received.

Chase concluded its review on 20 March 2025—some three weeks later. Chase did give Mr T the opportunity to provide evidence in relation to the transaction reported as fraud in a telephone call he made to the bank on 28 February 2025, but Mr T didn't upload that evidence as requested via his mobile banking application, despite having access to it in later calls and in-app chats. I therefore find it reasonable that it continued to restrict his account and carry out a review within the period.

Overall, I'm satisfied that Chase's actions in relation to the account restrictions were fair and reasonable in the circumstances.

Account closure

Financial businesses, such as Chase, are permitted to close an account where it no longer wishes to continue a relationship with its customer. But that must fairly and reasonably be done in line with the account's terms and conditions and relevant regulations and law.

As part of Chase's terms, it says that it can end its agreement immediately with a customer if their account is being used illegally or fraudulently.

Chase had received a confirmed report of fraud from a third-party bank that Mr T's account had been in receipt of the proceeds of crime. And as Mr T hadn't provided any evidence to support why his account had been in receipt of these funds, it decided to terminate the relationship with immediate effect.

I don't find Chase's actions to be unreasonable or unfair. It had followed the terms and

conditions of the account and, with the information known to it at the time, likely wanted to prevent the account being used for any further fraudulent purposes; something it is expected to do under relevant money laundering regulation and law.

Overall, I find that Chase made no error in its decision or action in closing the account.

Failure to provide cashback balance held on the account

Mr T has said that he is entitled to cashback he had accrued on the account prior to its forced closure by Chase. However, Chase has argued that the cashback associated with the account is a benefit of it and therefore, once the account was closed, Mr T no longer was permitted to receive that benefit. It also says that it does not pay cashback to customers in circumstances such as the one that led to Mr T's account closure.

In the circumstances of this complaint, I find it fair and reasonable that it withheld the cashback from Mr T when closing the account.

Firstly, Mr T had failed to provide evidence in relation to the transactions that had entered his account when asked for it. So, Chase had understandably inferred that Mr T had used his account to receive the proceeds of crime. And allowing Mr T to benefit from his account where there is suspicion he had used it illegally would put it at risk of being in breach of law.

However, there is a secondary reason I am not upholding this element of Mr T's complaint.

After receiving one of the transfers reported as fraud, Mr T transferred this amount out of his Chase account to another account he held with a third-party provider. Mr T then refused to release the crypto assets associated with that payment as he became suspicious. Before he was able to release those crypto assets or send the money back to his account, Chase closed it.

While I realise Mr T had inadvertently benefited from the proceeds of crime, I find it reasonable that Chase offsets his cashback balance against any recovery sought by the victim of fraud.

Cifas loading

Chase has already agreed that it no longer has sufficient evidence to retain the marker it loaded onto the Cifas database. And while Mr T was provided an opportunity to submit evidence in relation to the payment, but didn't, it could have given further opportunity for this when subsequent reports were received.

There are errors here on both Mr T's and Chase's part. However, it is fair and reasonable that the loading had now been removed.

Additional complaint points

Since referring his complaint to our service, Mr T has made further complaints regarding the handling of data subject access requests (DSAR) he made to Chase. But as these complaints didn't form part of his original complaint to Chase or this service, I haven't commented on them as part of this decision.

If Mr T remains unhappy with Chase's handling of his DSAR's, he can lodge a formal complaint with Chase. And if he is unhappy with the outcome of that complaint, he can refer the matter to our service, or the Information Commissioner's Office.

Distress and inconvenience

The application of the Cifas marker has clearly caused Mr T distress and inconvenience, as is common with such markers.

I'm satisfied that Mr T was impacted by financial accounts being placed under review and ultimately closed; again, this is commonplace where such markers are applied, and Mr T has evidenced this in his submissions. This no doubt caused Mr T financial insecurity and inconvenience in having to find alternative ways in which to pay his bills. And this impacted Mr T over several months.

Mr T has also explained that he was emotionally impacted through heightened anxiety, stress and an exacerbated pre-existing medical condition.

Mr T has also told our service of heightened interest rates and rejected finance applications as a result of the marker. However, I cannot agree that these can be attributed to the fraud marker placed. There are other possible reasons for these issues that cannot be ruled out. And as the evidence Mr T has provided doesn't specify the fraud marker as a reason for the decisions made, I can't fairly say it should be considered in any award.

Mr T has also listed reputational damage and trading restrictions as a loss he suffered resulting from the marker. However, I have seen no evidence to support this.

I have also given consideration to Mr T's claim that he should be reimbursed his hourly pay for the time that he spent attempting to resolve the issue. I don't find that to be appropriate considering Mr T is complaining in a personal, rather than professional, capacity. I can also see that Mr T opted to contact Chase numerous times despite him being informed that a review was underway and there was no time limit as to when this would be concluded.

Lastly, Mr T has requested compensation for discrimination, as he feels Chase treated him unfavourably due to his medical conditions. He has also complained that Chase didn't put in place reasonable adjustments for that condition.

Having considered the evidence carefully, I have been unable to find any instance of Chase treating Mr T differently due to his disability. Nor can I see that any requests for reasonable adjustments were denied. However, should Mr T believe that Chase has breached the Equality Act, this would be a for a court to decide.

Taking into consideration the above, I find that the £400 offered by Chase is fair and reasonable in the circumstances."

Chase didn't provide any further comment, but Mr T disagreed with the assessment. He argued that he'd not been asked for evidence from Chase and therefore had made no error.

As both parties have now had an opportunity to respond to my provisional assessment, I'm now able to issue my 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.

Mr T has argued that he'd not been given an opportunity to provide evidence in relation to the payments received. But I can't agree.

As stated in my provisional assessment, Mr T had a telephone call with Chase on 28 February 2025: this call has been disclosed to Mr T, and he does now have the capability to review it.

Within this call, a representative of Chase requests that Mr T upload evidence of his entitlement to the transaction reported as fraud via the Chase online banking app. Despite Mr T having access to his app, he didn't upload this evidence as requested. Instead, he continued to contact Chase on a regular basis asking for an update on his account review.

For these reasons, I find Mr T remains partially liable for the marker being recorded and retained on his record, as he ought to have provided the evidence as requested. And without this evidence, Chase had no other information to which it could base its assessment other than the fraud report received.

As no further arguments have been made by either party regarding the findings I have set out in my provisional assessment, I don't intend to depart from them.

Putting things right

Chase has already removed the Cifas marker loaded against Mr T. However, it should now go ahead and pay him the compensation it has offered.

My final decision

For the reasons I have given above, I uphold this complaint and direct J.P. Morgan Europe Limited, trading as Chase, to pay Mr T £400 in compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 6 October 2025.

Stephen Westlake
Ombudsman