

The complaint

Mr O complains J.P. Morgan Europe Limited trading as Chase, recorded a marker against him on a fraud database and closed his account. He doesn't think it's treated him fairly.

What happened

Mr O held an account with Chase. On 27 November 2024, he received £95 from a third party, through a bank transfer. However, the incoming payment was later reported as being the result of a scam.

Mr O's bank restricted the account and contacted him to understand why he'd received the payment. He said this was from a friend who had borrowed his trainers, and, because they had kept them so long, they'd made a payment of £95 to him. Chase requested some further information and Mr O submitted what he had, but the bank didn't find this satisfactory evidence of his entitlement to the funds and asked if he had anything else, giving some examples of what might be acceptable.

Mr O said the sender wouldn't give him a copy of their bank statement. Without anything further, Chase decided to file a fraud marker at Cifas as it believed he'd been complicit in receiving fraudulent funds. It also closed the account.

Mr O contacted Chase in around March 2025 to complain. He said he'd not done anything to warrant a fraud marker. He said the person sending the money had maliciously tried to claim it back by contacting their bank and the situation was having a detrimental effect on his financial standing and wellbeing. Chase reviewed the complaint but still didn't think Mr O had sufficient evidence to genuinely the payment had been legitimately obtained. Considering this, it declined to remove the marker but accepted the time taken to complete its investigation in 2024 was a little too long and apologised.

Mr O contacted us, to see if we could help. An investigator spoke to him to gather information. He told her:

- The person that had sent the funds wasn't known to him, but they were known to a friend of his.
- The friend needed to make a hotel booking for them but couldn't do so, so asked him if he could do it. That's why he'd received the payment.
- He didn't understand why the bank had blocked his account.
- The person sending the money had gone quiet and contacted their bank to try and get the money back. His friend was equally alarmed that the person had raised a malicious report for the transaction.
- He'd mixed transactions up about trainers and a hotel booking when speaking with Chase in 2024. He'd made a mistake when he'd said trainers.
- He wished to clarify the £95 payment was for the booking and not trainers.
- He could provide messages of a conversation that he'd had about the booking.

The investigator sent the screen shots to Chase, for it to review, which it did. However, it was concerned that these didn't align with what Mr O had originally told it in 2024. It also

held several other concerns about them. So, it declined to remove the marker.

Another investigator took over the case and looked at everything afresh. She didn't think Chase had made a mistake in the steps it had taken. She acknowledged what Mr O had said and provided but didn't find his testimony persuasive when looking at the other available evidence.

Mr O didn't agree – he maintained he hadn't done anything wrong and was a victim himself. He felt the sanction of the marker was disproportionate to the situation, and the fact that he had a screen shot of the payment being sent to him by the sender, undermined the suggestion that he'd acted with dishonesty. He added that when he'd referenced the trainers that was a genuine mistake because he was under pressure.

When the investigator didn't change her mind, the case was put forward 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.

I'm sorry to hear about the difficulties Mr O is experiencing but I must also evaluate the evidence objectively. I set out my findings below.

The marker that Chase has filed is intended to record that there's been a 'misuse of facility' – relating to using the account to receive fraudulent funds. To file such a marker, it's not required to prove beyond reasonable doubt that Mr O is guilty of a fraud or financial crime, but it must show that there are grounds for more than mere suspicion or concern. The relevant guidance 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.

What this means in practice is that a bank must first be able to show that fraudulent funds have entered Mr O's account, whether they are retained or pass through the account. Secondly, the bank will need to have strong evidence to show that Mr O was deliberately dishonest in receiving the payment and knew it was, or might be, illegitimate. This can include allowing someone else to use their account to receive an illegitimate payment. But a marker should not be registered against someone who was unwitting; there should be enough evidence to show complicity.

To meet the standard of proof required to register a fraud marker; the bank must carry out checks of sufficient depth and retain records of these. This should include giving the account holder the opportunity to explain the activity on their account to understand their level of knowledge and intention.

So, I need to decide whether I think Chase has enough evidence to show fraudulent funds entered Mr O's account and he was complicit. And I'm satisfied that it has. I'll explain why by addressing what I consider are the salient points.

Chase has provided evidence that it received a report, saying that funds which entered Mr O's account was because of a scam. Looking at what was reported, I'm satisfied the bank was alerted to a fraud and needed to make enquiries to meet its regulatory obligations to investigate such matters.

Mr O says he made a mistake when he mentioned the trainers to Chase, because he was under pressure. But the evidence doesn't support that. I can see Chase contacted him

several times and when doing so, was clear what payment it was investigating – I've seen the communications and heard the relevant call. So, I'm satisfied he was given a fair opportunity to explain things. Mr O said the payment was for trainers but has subsequently elaborated that this was in connection with arranging a hotel booking for a friend of a friend, but it's strange that Chase wasn't told this, if this was the reason, unless Mr O wasn't telling the bank everything he knew. I've thought about this and haven't found Chase's position unreasonable, particularly considering Mr O's explanation now being in relation to a hotel booking.

In terms of the evidence of the booking, which Chase has seen, the stay at the hotel pre-dates the payment by a good few days. If Mr O had been paid to make a booking, I don't understand why the payment would have been sent after the stay – this doesn't make sense. The screen shots also don't identify the 'friend' Mr O says he was helping, and they do not explain why the friend couldn't make the booking or receive the funds themselves.

Mr O has pointed to the screen shot from the sender showing the payment. He says why would he have this, if he'd been dishonest. However, the payment being sent to him isn't in question, it's under what circumstances it was obtained given the nature of the fraud report. In any event, as I've set out, much of his other evidence isn't very persuasive.

Ultimately, my role is to look at what both sides have provided and consider the weight of the evidence. Here, although Mr O has attempted to explain things, the information wasn't satisfactory to Chase. There are significant discrepancies in what he's said and not enough evidence to support the payment had been legitimately obtained.

In conclusion, I'm satisfied Chase had enough information to support the marker and close the account (there's provision for this within the account agreement). It follows that I won't be asking the bank to do any more.

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 O to accept or reject my decision before 30 October 2025.

Sarita Taylor
Ombudsman