

The complaint

Mr M complains J.P. Morgan Europe Limited trading as Chase (“Chase”) didn’t do enough to get refunds for transactions made on his debit card.

What happened

In December 2024 and January 2025, Mr M made a number of transactions, via his Chase debit card to online merchants.

In January 2025, Mr M contacted Chase to raise a chargeback for these transactions. He explained they had been payments to online gambling sites, however he had a block on his account that should have stopped gambling transactions being processed.

Chase looked into the transactions and said it wasn’t able to raise a chargeback. It said Mr M had authorised the transactions and the merchants had used different codes, so these hadn’t shown as relating to gambling. Chase said it wasn’t possible to raise a chargeback in relation to gambling transactions, so wasn’t able to help further.

Having complained to Chase, it didn’t agree it had done anything wrong, so Mr M referred his concerns to our Service. One of our Investigators looked into what happened and thought Chase was reasonable in its decision not to raise chargebacks for the transactions Mr M was disputing.

Our Investigator said that although Mr M had a gambling block on his account, Chase can only stop transactions if the merchant has a merchant categorisation code (“MCC”) that identifies the transaction as relating to gambling. Our Investigator explained that the merchants Mr M had transacted with, hadn’t used MCC’s relating to gambling, rather other codes, so he didn’t think Chase was wrong for processing these transactions.

In relation to the chargebacks, our Investigator said that the rules to dispute a transaction are set by the card scheme, Mastercard in the circumstances of this complaint. He said he thought Chase was reasonable in its decision not to raise chargebacks, as they didn’t have a reasonable prospect of success under the card scheme rules.

Mr M disagreed with our Investigator’s conclusions. He said the fact the merchants used incorrect MCC’s was evidence they’d misrepresented the transactions. So, on this basis Chase should have raised chargebacks for the transactions he was disputing.

As the matter wasn’t resolved, the complaint has been passed to me to decide.

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've given consideration to the relevant rules and regulations applicable to this complaint and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

I want to start by thanking Mr M for being so open with our Service and appreciate this has been a difficult time and I'm sorry to hear of the challenges he's faced. However, having considered all the information, I've reached the same conclusions as our Investigator for broadly the same reasons. I realise this will come as a disappointment to Mr M and I've explained below, how I've reached this decision.

Gambling block

I've started by reviewing Mr M's concerns that although he'd placed a block on his account to prevent gambling transactions from being processed, Chase allowed the one's subject to this complaint to go through.

Gambling blocks work by identifying MCC's, which are the codes used by merchants to show what sort of goods or services are being purchased. There is a specific code for gambling transactions and when a block is placed on an account, it works by identifying this code and blocking any payments associated with it.

While this block can be useful, it is dependent on the gambling merchant using the correct MCC to identify itself, so therefore does have limitations. Chase explains this on its website, that if a transaction isn't identified as relating to gambling it won't be able to block it. Chase has provided evidence to show that the transactions Mr M has disputed didn't have the correct MCC's in place, so weren't identified as relating to gambling.

So, while I realise it'll be concerning to Mr M that the gambling block hasn't prevented these transactions, I haven't found this is due to an error made by Chase. Unfortunately, there are gambling websites that don't use the correct MCC's to circumvent these blocks, but it wouldn't be fair for me to hold Chase responsible for the merchants not using the correct MCC.

Chargeback

I've therefore gone on to consider whether Chase was reasonable in its decision not to raise chargebacks for the transactions Mr M wished to dispute.

The chargeback process provides a way for Chase to ask for a payment its customer made to be refunded. Where applicable, it raises a dispute with the merchant and effectively asks for the payment to be returned to the customer. There are grounds or dispute conditions set by the relevant card scheme, Mastercard, and if these are not met, a chargeback is unlikely to succeed.

The chargeback rules include set scenarios where a customer may be able to raise a dispute, in circumstances such as where goods or services aren't provided or they're not as described or defective. However, all of these reason codes exclude the right to raise a chargeback if it relates to a transaction that was intended for gambling.

And while Mr M has raised concerns that he didn't receive any goods or services from these transactions, he's also expressed concerns that these transactions weren't blocked by his gambling block. So, I think it's more likely than not that these transactions were made for the ultimate purpose of gambling, which is then excluded in the chargeback rules.

Mr M has said that Chase should have raised a chargeback on the basis of misrepresentation or 'transaction laundering', being that the merchants didn't disclose the true nature of the transactions by using the incorrect MCC's to circumvent gambling blocks.

I'm sorry to disappoint Mr M, but I don't agree this is an avenue through which he could have raised a successful chargeback. Mastercard has clarified to our Service, that there are no chargeback rights for any sort of gambling transactions, such as the ones Mr M made. And there are no chargeback codes applicable where incorrect MCC's have been used by the merchant. Mastercard also confirmed, that had a bank such as Chase submitted a chargeback in circumstances such as Mr M's for it to decide, this wouldn't have been successful.

It isn't for me to comment on the scope of the chargeback rules, as I'm considering the actions of Chase in this complaint, not the card scheme. As a result, in considering Chase's explanations for not attempting chargebacks, I think this was fair as it considered the circumstances of Mr M's dispute and didn't think they had a reasonable prospect of succeeding against the scheme rules.

I note Mr J has also referenced other complaints considered by our Service which he says are comparable to his. My role is to decide each complaint on its individual merits and relevant facts, and I would note the circumstances of each complaint can be different. And while I realise this answer will come as a disappointment to Mr M, I want to reassure him, I've considered the points he's raised, alongside the rules and obligations of Chase in considering this complaint.

Conclusion

In conclusion, while I'm sorry to hear of the challenges Mr M has faced, I haven't found Chase acted unreasonably in considering his request for a refund, so won't be asking it to do anything further.

While Mr M did have a gambling block on his account, there are limitations to this, and as the transactions weren't identified as relating to gambling, due to the merchants using different MCC's, I don't think Chase made an error in allowing these transactions to be processed.

In relation to Mr M's request to raise a chargeback similarly, I haven't found Chase made an error here. I say this as there wasn't a reasonable prospect of the chargebacks succeeding under the rules set by the card scheme.

My final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 October 2025.

Christopher Convery
Ombudsman