

## **The complaint**

Mr H complains that J.P. Morgan Europe Limited trading as Chase ('Chase') registered a Cifas marker against him without due cause.

## **What happened**

The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But in summary, in October 2024 a series of ten payments were paid into Mr H's Chase account. There were thirteen payments out of the account via faster payment. Chase then received reports that the funds which credited Mr H's account had been sent as a result of fraud. So, it reviewed Mr H's account and attempted to contact him. It was unable to speak to Mr H, so it took the decision to close it and refer the matter to Cifas to register a marker against him.

Mr H was unhappy with this, so complained to Chase. It reviewed what it had done and did not uphold his complaint. They said that the Cifas marker was loaded correctly and declined to reopen his account.

Mr H said that his friend had asked him to transfer funds on their behalf to third parties. He said he didn't ask any questions of his friend, as he did not think his friend would involve him in fraudulent activity.

Dissatisfied with Chase's response, Mr H escalated his concerns to our service. One of our investigators looked into what had happened and did not recommend that Mr H's complaint be upheld. In summary, they said that Chase had met the evidential bar for loading a Cifas marker, and it had acted in line with the terms and conditions of Mr H's account when it took the decision to close it.

Mr H remained dissatisfied, he said he had been an unwitting money mule, and spoke of the significant impact the marker had on him. As no agreement could be reached, the case 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.

The type of Cifas marker that Chase asked Cifas to apply here is for 'misuse of facility' – relating to the account being used to receive and send on fraudulent funds. In order to file such a marker, Chase are not required to prove beyond reasonable doubt that Mr H is guilty of fraud or financial crime, but they must show that there are grounds for more than mere suspicion or concern that such an offence took place. Cifas 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."*

So, the relevant findings for me to make are whether I believe there is sufficient evidence to conclude that on balance the money sent to Mr H was sent as a result of fraud, and that he was deliberately dishonest in relation to this, such that Chase fairly and reasonably escalated their concerns to Cifas. I do think Chase were entitled to do so. I'll explain why.

It does not appear to be in dispute that Mr H's account was used to receive and send on fraudulent funds. Chase received fraud reports from the sending banks, and Mr H does not assert that he has any legal claim to these funds. So, the remaining point of contention is whether Mr H received these funds as an unwitting money mule and victim himself, or whether he was deliberately dishonest in regards to these funds. To conclude this, Mr H would not need to have been the perpetrator of the original scams himself or even know the exact provenance of the funds. But I would need to conclude that he acted with deliberate dishonesty, which I think is more likely than not here. I'll explain why.

Mr H has provided some evidence of messages between him and the friend, relating to these funds. However, the messages only start from when he was instructed to pay the money to other beneficiaries. There is no evidence of what his friend asked him to do, what his friend told him about the source of these funds, or what questions he asked. It does not seem clear why he would need to move funds for his friend, and whilst I understand one trusts friends, it would seem unusual to ask no questions about the source of the funds before sending receiving and sending them on. So, considering everything, I cannot safely conclude that he was unaware of the fraudulent nature of these funds.

Mr H moved some of the funds onto another account held in his own name. He said he then sent them on from there. But I am afraid that I have no clear explanation as to why Mr H would do this innocently. This is a pattern often used to 'layer' funds – that is to attempt to move fraudulent funds around in order to prevent them being frozen, returned to the sender or traced to the beneficiaries.

So, considering all of this against the balance of probabilities, I think that Chase had enough information to refer the matter to Cifas who registered a marker against him.

I've also considered the account closure. The terms and conditions of Mr H's account allow for Chase to end their banking relationship with Mr H. And this is a commercial decision that banks are allowed to make in the same way that Mr H could have chosen to close his account with Chase. So, I think they have acted within the terms and conditions which Mr H agreed to when he opened the account. And so it follows, that they have acted fairly and reasonably in closing Mr H's account.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 October 2025.

Katherine Jones  
**Ombudsman**