

The complaint

Mr T complains that J.P. Morgan Europe Limited trading as Chase (“Chase”) won’t refund the full amount of money he lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won’t repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

From June 2023, Mr T sent several payments to what he thought was a legitimate investment and separately to someone he had met online. When Mr T realised he had been scammed, he logged a complaint with Chase.

Chase looked into the complaint but didn’t uphold it. Mr T remained unhappy, so he brought his complaint to our service.

Our investigator looked into the complaint but didn’t uphold it. Our investigator found the firms Mr T used to send the payments to the scammers intervened on several payments and Mr T wasn’t accurate with the answers he gave to the advisor’s questions. On this basis our investigator didn’t think Chase could have done any more to prevent the scam.

As Mr T didn’t agree with the investigator’s view, 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’m very aware that I’ve summarised this complaint briefly, in less detail than has been provided, and in my own words. No courtesy is intended by this. Instead, I’ve focussed on what I think is the significant part here. If there’s something I’ve not mentioned, it isn’t because I’ve ignored it. I haven’t. I’m satisfied I don’t need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In broad terms, the starting position at law is that a bank such as Chase is expected to process payments and withdrawals that a customer authorises it to make, in accordance with The Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer’s account.

But, taking into account relevant law, regulator’s rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Chase should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer.
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In the circumstances of this complaint, given the value of the fifth payment Mr T made to the scam, Chase ought to have been concerned Mr T could be at risk of financial harm. This was a newly opened account and the value of the payment was such that I'm satisfied Chase should have intervened.

Given the amount, I'm satisfied a proportionate intervention would have been to call Mr T to ask him for information regarding the payment purpose and its surrounding circumstances. Then to provide a relevant warning with the intention of uncovering the scam. Here though I don't find it would have made a difference to Mr T making the payments, I'll explain why.

Chase flagged and spoke to Mr T several times when making these payments. Having listened to the conversations including the questions the Chase advisors asked, they were proportionate to the value of the payment and the identifiable risk at the time.

It's clear from the interaction Mr T had with the Chase advisors that he wasn't entirely accurate with his responses. Mr T misleads the advisors about the payment purposes. Here Mr T tells the advisor that he is making a payment to a friend he has known for several years for the deposit on a European holiday. Given the payee was an individual and considering the answers Mr T gave, I'm satisfied that the bank couldn't have prevented the scam and his story was both plausible and persuasive. Mr T also appears frustrated that banks advisors are asking him questions about where he is sending his money.

Mr T has shared the conversation he was having with the scammer and its clear they were coaching him on how to answer the bank's questions. To the extent that the scammer was arranging calls with Mr T to talk him through the process of answering the security questions and typing out responses for him to send.

I've also listened to the telephone conversations Mr T had with the company where the money originated from and its clear from these that he didn't want to expose the real reason for needing the money. Mr T says a number of times that its private and he doesn't want anyone else to be aware of it. So, I'm not convinced any line of questioning was going to reveal the true purpose of why he was making the payments.

It's worth noting that Mr T uses the holiday payment purpose a number of times and threatens to move his bank account if a note of the holiday payments is not made on his account to prevent further questions being needed. The advisor does go into detail explaining the reason Mr T has been asked to provide this information on more than one of the calls, but this doesn't alleviate Mr T's frustration.

A Chase advisor also speaks to Mr T again on a later payment and he is evasive about giving more information about where he is investing his money and reassures the advisor he is happy with what he is investing in. Although in my view the advisor should have probed more into where the money was being sent, based on the other conversations Mr T had with his various banks, I'm not convinced any line of questioning would have got the full or accurate details of what Mr T was up to from him – and he would have had answers for any discrepancies the advisor highlighted.

Mr T then speaks to another advisor where a further payment is stopped and he tells the bank he is investing in cryptocurrency. The advisor then takes Mr T through a cryptocurrency warning and this details some of the hallmarks of the scam he is falling victim to. The advisor suggests Mr T speaks to a family member and although he says his wife is suspicious, this still doesn't prevent him from sending money to the scammer.

The advisor then cancels the payment, sends Mr T some scam information, the Financial Conduct Authority list of regulated investment companies, and asks him to research where he is sending his money.

It appears Mr T made payments to different scams, and the second was to someone he met online. Here Mr T appears to be convinced he is in a romantic relationship with the individual and from reading the conversations he had with the scammer, it's clear he is under their spell very quickly. In fact, even after family members intervene and uncover the scam, Mr T continues to talk to the scammer. This shows the level of trust they had built with him. Although none of these payments were made from Mr T's Chase account.

This bank did flag some of the payments and spoke to Mr T. Having reviewed the conversation including the questions the advisors asked, Mr T wasn't entirely accurate with his responses here either. Mr T misleads the advisors about where he found out about the investment opportunity, that he didn't have screen sharing software on his device and how long he had been investing for. Although the advisors still gave Mr W general cryptocurrency scam warnings, the answers he gave hindered its ability to uncover the scam.

Mr T's representative has said he was suffering with some vulnerabilities. I've considered this point carefully, but having listened to the calls Mr T had with the various banking advisors, it's not something that in my view is apparent in the calls. When Mr T speaks to the company where he liquidated his savings from, he has detailed conversations about the investment performance, how the fund was being managed and was aware of the tax implications of withdrawing his funds. Mr T doesn't appear to be displaying signs that he requires additional support or that he is unaware, at risk, or not in control of what he is doing with his money. I've not found anything within the calls to the Chase advisors that I'm convinced highlight any vulnerabilities were present at the time.

To be clear I'm not suggesting Mr T wasn't vulnerable at the time, but more that I haven't heard any indication of this within the calls.

Overall, having considered all the information I've been sent by all the parties involved, I'm not convinced Chase or the other banks involved were able to prevent Mr T being scammed. Mr T appeared determined to make the payments and no amount of questioning or warnings stopped him from doing so - or broke the spell of the scammers. Even if I were to be

convinced the banks ought to have prevented the payments being made, I'm satisfied Mr T would have found another way, after being convinced by the scammer, of making them.

In considering the options Chase had for recovery of the money, I also haven't found any of the schemes or options available to it would have been successful in the circumstances.

I'm sorry to disappoint Mr T, but for the reasons I've given above, I don't uphold this complaint.

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 T to accept or reject my decision before 01 January 2026.

Tom Wagstaff
Ombudsman