

The complaint

Mr E complains that J.P. Morgan Europe Limited, trading as Chase, won't refund money he lost when he fell victim to a job scam.

Mr E is represented by a firm I'll refer to as "R".

What happened

The background of this complaint is well known to both parties so I'll only refer to the key events here.

In July 2023, Mr E received a message via an instant messenger app regarding a working from home opportunity where he could earn money completing tasks. Mr E accepted the role, and completed tasks set in order to earn cryptocurrency. In total, Mr E made 10 payments totalling almost £9,000, but realised he'd been scammed when he was told he'd need to pay fees in order to withdraw any money.

R complained to Chase on Mr E's behalf in October 2024 and said that had they intervened appropriately, they would have been able to identify the hallmarks of a scam. Chase explained that some payments flagged on their systems, requiring Mr E to get in touch to discuss them. Chase said that during the calls, their advisors provided adequate warnings and explained the risks involved. As Mr E continued and authorised the payments, Chase were unable to return the lost funds.

Unhappy with Chase's response, R referred Mr E's complaint to our service.

After considering everything, our investigator was of the opinion that he didn't have enough evidence to show the exact loss Mr E had incurred. In any event, even if he did have evidence of the loss, our investigator couldn't be satisfied that any earlier or further intervention from Chase would've prevented Mr E from losing money to the scam, as the evidence showed that he provided incorrect information during intervention calls, to prevent Chase from learning about the true reason for the payments.

Because Mr E didn't agree, the complaint has been passed to me for review.

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 heart of the matter 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.

I don't doubt Mr E has been the victim of a scam here. He has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it doesn't mean he is automatically entitled to a refund of the money he has lost. It would only be fair for me

to tell Chase to reimburse Mr E for his loss if I thought they ought reasonably to have prevented all (or some of) the payments Mr E made, or if they hindered the recovery of the payments.

I've thought carefully about whether Chase treated Mr E fairly and reasonably in their dealings with him, both when he made the payments and when he reported the scam, or whether they should have done more. Having done so, I've decided to not uphold Mr E's complaint. I know this will come as a disappointment to him and so I will explain below why I've reached the decision I have.

There's no dispute that Mr E instructed Chase to make the payments, albeit under deception. So the starting position is that Chase should follow their customer's instruction. Under the relevant regulations – the Payment Services Regulations 2017 – that means he is responsible for the loss in the first instance.

However, taking into account the law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Chase should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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 their products, including the contractual terms, enabled them to do so.

In this case, I don't think the first five payments were of a value whereby I consider Chase would've have sufficient reason to suspect Mr E might be at risk of financial harm from fraud. Nor were they made in rapid succession, which can be a potential indicator of fraud, but they were spread over several days. The value of the payments had however increased significantly in value by the sixth payment.

Because of this, I think there was sufficient reason for Chase to suspect Mr E could be at risk of financial harm at this point. This is because he had made a number of payments to the same account which had incrementally increased in value. I therefore would've expected Chase to have carried out additional checks before processing payment six onwards, especially as the payments were being made to a cryptocurrency account, which Chase would have known carried a higher level of risk.

Chase have shown that they did intervene on some of the payments made and have provided recordings of the calls they held with Mr E for each of them. During the calls, Mr E didn't tell Chase he was making the payments as part of a job opportunity, but that he was investing with cryptocurrency and was solely responsible for making the payments. He came across as confident, said he'd had the investment for two years, that he was in full control, and had seen returns. Given the answers provided, I don't think Chase had enough reason to suspect that Mr E was providing inaccurate information here.

I therefore think it was reasonable for Chase to have provided scam warnings tailored to what Mr E told them. But while these warnings weren't tailored to the true purpose of Mr E's payments, I think some of it was still relevant to his situation. For example, the warnings alerted Mr E that he could be the victim of a scam, and the methods scammers use to gain their victims' trust. Sadly, while the warnings were somewhat relevant to Mr E's situation (as he had been contacted unexpectedly), they didn't resonate with him.

R have mentioned that there were a number of warnings published about the payee by July 2023 meaning the payments shouldn't have been allowed to go through. I carried out a search but can only find warnings that were listed on the FCA register after the payments were made. I am therefore satisfied that even if Chase had carried out a search, they wouldn't have found any adverse information at the time.

Overall, although I sympathise with Mr E's situation, I think the steps Chase took were proportionate to the identifiable risk associated with the payments. And given the answers Mr E gave on the calls that took place, I wouldn't have expected them to have done anything more before processing the payments. In short, I don't consider anything further was required here. I think Chase provided appropriate warnings to Mr E based on the identifiable risk as a result of the responses he gave.

It follows that I don't consider Chase are responsible for Mr E's loss.

Recovery

I also need to consider whether Chase did enough after being advised of the scam, to try and recover the funds.

Mr E reported the scam to Chase in October 2024 and given the length of time that had passed since the payments were made in July 2023, together with the evidence supplied suggesting the purchased crypto was sent onwards to the scammer, it's unlikely that any funds would be recoverable. Mr E also made the payments to an account in his own name before moving the funds to the scammer, and so if any money remained in his cryptocurrency account, he would be able to get it back.

It follows that I don't think Chase are responsible for the funds not being recoverable.

Overall, while I strongly empathise with Mr E and what he has been through, I don't think Chase is responsible for the losses he has suffered. So, while I know this will come as a disappointment to Mr E, I don't think Chase have acted unfairly by not refunding him.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 29 December 2025.

Danielle Padden
Ombudsman