

The complaint

Mr H complains that J.P. Morgan Europe Limited trading as Chase (as the recipient bank) didn't do enough to prevent the loss he suffered when he was the victim of a 'safe account' scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In January 2024 Mr H was sadly the victim of a scam. After initially providing some details in response to what he thought was a genuine message from a courier company, he was later contacted by phone. The scammers impersonated staff from his banks and ultimately convinced him his accounts were at risk and he had to move his money to keep it safe.

Mr H says he became suspicious but was reassured when the scammer told him to google the number they were calling from which his search revealed was linked to his bank. Following on from this he made two transfers to the account details the scammer had provided. He believed at the time that he was sending his money to a new account in his name that had been set up for him to keep his funds safe. The transfers were for £6,000 and £500 and they took place within a few minutes of each other around 5.30pm on 10 January 2024. Both payments arrived in an account provided by Chase.

Mr H says that after the call with the scammer had ended, he realised the account he'd paid was with Chase, not his own bank as he'd been told and the scam was discovered. Mr H reported this to all the relevant banks. With the assistance of our service complaints were also made. One of our Investigators noted that none of Mr H's other complaints had been upheld (so he hadn't recovered his money from elsewhere). And in relation to Chase, she concluded that had they done all she thought they should that around £3,110 of Mr H's loss would've been prevented. But as she thought Mr H should also accept some responsibility due to contributory negligence, she recommended that Chase pay him half that amount (plus 8% simple interest).

Chase agreed to pay the recommended redress, but Mr H didn't accept that outcome. He believes Chase are to blame, doesn't think he was negligent and is looking for a full refund. As our Investigator couldn't resolve things informally, the complaint was passed to me to decide. In October 2025 I issued a provisional decision in which I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'm intending to reach a different outcome compared to that of our Investigator. So, I'm issuing this provisional decision to give both sides a further opportunity to comment before my decision is finalised.

Firstly, I'm satisfied that Mr H has fallen victim to a cruel scam. But that isn't in and of itself a basis upon which I could require Chase to provide him with a full refund. This is true even where Chase provided the account that was paid, as is the case here. I can only make an

award if I think Chase have failed in such a way that I can fairly say that, but for that failure, Mr H wouldn't have suffered the loss he did (or a part of it).

I've seen evidence of documentation that was taken by Chase when opening the account in question, as well as some of the checks they conducted. And I don't think there was anything at that time that means they should've had concerns or reasonably could've foreseen that the account would later go on to be used in connection with a fraud or scam. So, I don't think Chase impacted Mr H's loss due to their actions when opening the account.

The account in question had only been open for a few weeks before Mr H's payments arrived. In that time there were some low value payments to and from the account, but nothing significant with the highest account balance during that time being £40. I don't think there was anything in the prior activity where I could fairly criticise Chase for not having done more. There was nothing suspicious or indicative of a potential issue. So I don't think there were any account monitoring failures at that point.

Then on 10 January 2024, Mr H's two payments arrived in the account. The relevant regulations (The Payment Services Regulations 2017, PSRs) say that a payment will be credited to an account in line with the 'unique identifiers' used. This typically refers to the sort code and account number. So whilst Mr H had put himself down as the beneficiary of the payment, and the Chase account wasn't in his name, checking whether the name matches isn't something Chase were required to do as a matter of course. And whilst I know Mr H thinks that particularly his £6,000 payment was significant enough such that Chase should've done more in line with their obligations to monitor accounts, I don't agree. Whilst not wishing to trivialise the impact of the loss to Mr H, there needs to be proportionality in what banks like Chase can fairly do. And I don't think it was unreasonable or outside of their regulatory requirements for them not to have done more in relation to the incoming payments themselves before applying them to the account in line with the sort code and account number provided.

However, soon after arriving, Mr H's funds began to be sent out from the account, initially to a payee that had been previously paid. This took the form of multiple payments that ranged in value between £50 and £260. In total, around £2,870 was sent to that existing payee in a little over half an hour. Then, at shortly after 6.30pm payments began to a new payee. There was a £50 payment at 6.35pm, £225 at 6.40pm and £250 at 6.42pm. The impact of this is that it would appear the same pattern of quick spending from the account was starting again, this time to a new payee. I think Chase should've blocked the account in response to the instruction for the £250 payment at 6.42pm.

By this point, I think there were enough factors where they ought to have identified that the account was potentially being misused. They had a relatively newly opened account, which had seen minimal use for the first few weeks and then had received around £6,500 into it which was in the process of being quickly spent from it. I appreciate Mr H is likely to argue that the intervention point I've identified is too late and to think that it should've come sooner. But I've thought carefully about this, and I'm not persuaded I could fairly say it should've been earlier. As I've mentioned above, there still needs to be a level of proportionality as to what can fairly be expected. Banks like Chase can't intervene in all payments and it's only at this point that I think there was enough going on that I can say it was unreasonable for them not to have intervened and blocked the account.

Had Chase intervened at that point and looked at the account, they would've also then seen that the beneficiary name on the incoming payments from Mr H didn't match that of the named account holder. So, I'd have expected them to have kept the account blocked and to have asked their customer about this. I note that once the scam was reported, Chase attempted to contact their account holder and couldn't. And I don't think it's likely the

accountholder would've both responded and evidenced a plausible reason for their entitlement to the funds that Mr H had sent before the report of fraud arrived. This is particularly the case as I can see that the Electronic Money Institution (EMI) from where Mr H had sent his payments contacted Chase to report the scam only a few hours later. The overall impact of this is that, but for Chase's inaction, I think some of Mr H's money would've been available for recovery. The amount of Mr H's funds left in the account at that time was £3,115. So, the starting point is that I think it would be fair and reasonable for Chase to pay Mr H that amount as it would've been recoverable from the account. And because he's been without the use of money he otherwise would've had in the meantime, I think 8% simple interest (yearly) should also be added and paid.

I know our Investigator then went on to make a reduction due to Mr H's contributory negligence. I've thought about this, but I don't agree it is appropriate to make a reduction in the circumstances of this case. I'm aware that 'safe account' scams work by skilled scammers gaining compliance from their victims by creating a sense of fear, panic and urgency against the threat of funds being lost.

In this case Mr H's EMI displayed a warning that they wouldn't ever ask him to move money. And the Confirmation of Payee (CoP) in relation to the Chase account wouldn't have shown as being a match (because the Chase account wasn't Mr H's). But I'm not persuaded that by processing the payments he did Mr H was negligent such that it would be fair to make a reduction. Indeed, Mr H's initial complaint to his EMI (in the immediate aftermath of the scam) was about why they hadn't displayed the CoP information alerting him to the mismatch. This doesn't support that he took in the CoP information and then wilfully or recklessly ignored it. I think it's more likely than not that Mr H didn't take it (or the text based warning) in, due to the pressure he was under to act quickly believing at the time this was necessary to protect his funds. This is further supported by the fact that his two payments to the Chase account were made just a few minutes apart from each other.

Mr H has also mentioned that he reported this to Chase within hours. The suggestion being that his money should've been recovered. I've not seen evidence of Chase being on notice beyond the notification that arrived from his EMI later the same evening. I'm intending to require Chase to provide a full refund in relation to Mr H's remaining funds from 6.42pm onwards. I've not seen any evidence to support that Mr H contacted Chase prior to that time (he seems to have reported the scam to his EMI after 11pm that evening). And in any case, I wouldn't generally expect Chase to block an account based on a third-party report. It's common practice for a bank to insist that reports are made through the sending bank or EMI. This is to mitigate the risk of malicious reports (which isn't something I'm suggesting is the case here). But overall, I'm not persuaded that Chase needs to do more than I'm intending to direct they do due to their recovery efforts. By the time they were on notice from Mr H's EMI, no funds remained to be returned in the account.

My provisional decision

For the reasons outlined above, but subject to any further information I receive from either Chase or Mr H, I'm intending to uphold this complaint.

I intend to direct J.P. Morgan Europe Limited trading as Chase to pay Mr H £3,115. 8% simple interest (yearly) should be added to this amount and also paid. This should be calculated between the date of loss and the date of settlement."

Chase responded to say they accepted my decision, but they believed the value to be paid should be £3,110 not £3,115. Mr H didn't agree with my outcome and provided a response which I'll address below.

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.

In summary, Mr H welcomed his complaint being partially upheld. But he didn't agree the redress should be limited to what I proposed in my provisional decision.

Mr H believes Chase failed to act with due skill care and diligence and if they had, the entire loss would've been preventable. In essence he thinks Chase ought to have acted sooner than I've set out above. I've considered this but respectfully, I don't agree. In hindsight it is always easier to make such arguments knowing now that the misappropriation of funds was taking place. But, for the reasons I've set out above, and crucially based upon the information that would've been available to them at the time, I don't agree that Chase should've acted sooner.

Mr H has also suggested that he should be refunded under the Lending Standards Board's Contingent Reimbursement Model (CRM Code). This was a voluntary scheme, in place at the time of his payments, through which victims of scams could sometime receive refunds from the banks involved. For payments to be covered by the CRM Code it requires that the sending bank was a signatory to it. The payments in question came from Mr H's account with R, which wasn't a signatory to the CRM Code and so I can't fairly say it is a basis upon which I can require Chase to do more in this case.

Mr H has also mentioned the more recent Payment Systems Regulators mandatory reimbursement scheme and says this codifies what was existing good practice. He thinks that Chase's failures fall within the scope of culpability and warrants a full refund. Again, I don't agree, the new scheme isn't retrospective, and there must be a causal link between Mr H's loss and any failures by Chase. For the reasons already stated I don't think this extends beyond the award I'm making.

Mr H has also asked that I consider a compensatory award for the stress, time and hardship that he has been caused. I've considered this but I think the vast majority of the distress and inconvenience Mr H has experienced is as a result of the actions of the scammers. And it wouldn't be fair for me to require Chase to provide compensation for the actions of others. And even if Chase had offered the redress I'm proposing initially, Mr H's submissions make clear that the only acceptable outcome to him is full reimbursement. So, I'm not persuaded everything would've been behind him sooner, but for Chase's actions. As such, I'm not persuaded there has been impact here (specifically caused by Chase) which warrants a compensatory award in these circumstances.

Finally, Chase has suggested the redress figure should be £5 less than what I'm directing. I've checked the statements and details on the recipient account and remain of the opinion that the fair redress is the figure quoted in my provisional decision.

My final decision

For the reasons outlined above, my final decision is that I uphold this complaint in part.

Unless they've already done so, J.P. Morgan Europe Limited trading as Chase must pay Mr H £3,115.

8% simple interest (yearly) should be added to this amount and paid. This should be calculated between the date of loss and the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 20 November 2025.

Richard Annandale
Ombudsman