

## The complaint

Mr E complains that J.P. Morgan Europe Limited (trading as Chase) has not refunded money he lost to a scam.

## What happened

I'm satisfied the detailed background to this complaint is well known to both parties and that there is a clear timeline of events that's been made available to all involved parties – namely scam chats. Therefore, I'll only provide a brief overview of some of the key events here. During early 2022 Mr E was introduced the scammer (whom I'll refer to as S) by a friend during a golf day. He was made aware S was knowledgeable in and invested in cryptocurrency. After some contact, Mr E invested some money with S – these were payments he made from an account with another financial business in June and August 2022, which is the subject of a separate complaint at this service.

Mr E remained in regular contact with S and he was provided with what he believed to be monthly investment statements showing the performance of his investment. As time went on, S introduced other investment opportunities to Mr E. And by November 2023, S contacted Mr E about a further investment opportunity he was informed had a quick turnaround of 3 days. Following a telephone conversation with S, Mr E agreed to invest a sum of £10,000. On 17 November 2023, Mr E made a payment of £10,000 directly to S. The payment was the subject of enquiries raised by Chase with Mr E before being released.

Mr E expected his funds and alleged profits earned to be returned quickly, but this didn't come to fruition. Mr E would regularly chase S for a return of these funds. But after many months, and no sign of funds being returned he realised he'd been scammed.

Mr E through his professional representative raised a complaint with Chase before it was brought to this service. Chase rejected the complaint as it was satisfied they'd explained the risks of making such payments.

One of our investigators looked into what had happened and felt that Mr E was entitled to a full refund of the payment of £10,000 given the terms of his Chase account.

Mr M accepted the investigator's findings, but Chase did not. It maintained that there were concerns over Mr M's testimony and the events set out within the investigators findings. Our investigator furnished Chase with the available evidence and proceeded to respond to Chase's concerns but maintained that he would still be upholding the complaint. He also later considered that Chase should also pay 8% interest from the date they declined his claim.

Chase responded advising that it would consider making an offer to refund 50% of Mr E's loss. It acknowledged that it could have probed more in the call but was satisfied that Mr E should also have known something wasn't right when he was asked to invest for a quick return, especially after previous investments hadn't gone as planned.

Mr E disagreed with Chase's offer. And as agreement couldn't be reached by all parties, the case has since 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.

Having done so I've reached the same conclusion as our Investigator and for largely the same reasons.

It isn't in dispute that Mr E authorised the transaction in question. He is therefore presumed liable for the loss in the first instance.

I'm also satisfied there's no dispute that this was a scam, although Mr E didn't intend his money to go to scammers, he did authorise the disputed payment. And Chase is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

The payment did flag as potentially suspicious and there was a phone call during which Chase discussed the payment with Mr E. Unfortunately, there were key facts about the circumstances of the investment which didn't come to light during the call and this meant Chase was unable to detect that the payment was being made as part of a scam.

However, the terms and conditions of Mr M's Chase account state the following:

*"You'll generally get a refund for a payment if you have any of the problems set out below...*

*A payment where you're tricked into sending money to a fraudster...*

*This is where you:*

- *either intended to send money to a particular person, but you were tricked into sending money to someone else; or*
- *sent money to someone for what you thought was a genuine purpose, but which was actually fraudulent.*

*If you're at fault in some way:*

- *If, taking everything into account when the payment was made, we find you should've known you were being tricked into sending money to a fraudster you won't get a refund."*

So, I've considered whether Mr E should have known he was being tricked when he made the payment. In isolation, I could understand why the thought of an investment opportunity with a significant return and a quick turnaround ought to raise concerns. But having carefully considered the individual circumstances of Mr E's case, I'm not satisfied he ought to have been aware that he was being tricked into making a payment.

Mr E had known the scammer for some time prior to this payment and at the time was of the belief he'd previously invested in cryptocurrency with them – although that is now known to have also been a scam. Mr E was previously introduced physically to S through others known to him during golf. And others known to Mr E had also invested with S themselves. Furthermore, Mr E was receiving monthly investment statements from S from his alleged previous investment before this new opportunity was brought to his attention. Mr E had also

been made aware of other investment opportunities which he'd turned down. Although there is no physical paperwork or documentation about the exact nature of the investment, we can see that before Mr E agreed to invest, he held a 16-minute telephone call with S. Lastly, S was also the director of a Limited company registered at companies house which added to S's legitimacy. There were no warnings about the Limited company or information in the public domain that might have otherwise raised concerns regarding S at the time the payment was made.

I've also carefully considered that Mr E was informed by the scammer to avoid mentioning the involvement of cryptocurrency, but I can't agree that this in isolation meant that he should have known he was being tricked into sending money to a fraudster given all the other reasons I've already set out above. While I accept Mr E was given some scam advice when he discussed the payment with Chase, I don't accept the warnings were robust or effective enough to have brought to his attention the fact he was being scammed.

So having considered all of the circumstances, I don't think it was unreasonable that Mr E failed to identify that he might be falling victim to a scam and I don't think the circumstances were such that he should have known he was being tricked, particularly given the existing relationship he had with S. Because of this, I agree with our investigator that Chase should refund the £10,000 payment Mr E lost to the scam.

### **Putting things right**

To resolve this complaint J. P. Morgan Europe Limited (trading as Chase) should:

- refund £10,000 to Mr E
- pay 8% interest on that amount from the date of its final response – 3 June 2025 – to the date of settlement.

If Chase considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr E how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

I uphold this complaint, J. P. Morgan Europe Limited (trading as Chase) should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 4 February 2026.

Mark O'Connor  
**Ombudsman**