

The complaint

Mr A complains that J.P. Morgan Europe Limited, trading as Chase, won't refund the money he lost to an investment scam. Mr A was initially represented in this complaint, but I'll refer to him as it's his complaint.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A was seeking extra income and became interested in a social media investment advert endorsed by a television celebrity and financial expert.

After clicking on an advert link, he spoke to X who claimed to be a broker or financial advisor. X told Mr A he could earn large returns through Company F's crypto investment.

X showed Mr A an image of Company F's FCA approval and persuaded Mr A to invest. Also, to download a remote desktop application which allows users to access and control devices from anywhere in the world.

Mr A was led to believe he had received a £20,000 crypto loan into his main bank account to support his investment. However, this wasn't the case. Unbeknown to him, X and / or other scammers had taken out two loans, to the value of £20,000, in Mr A's name with other financial firms. Also, he was receiving fake emails from a crypto exchange.

Mr A explains that he undertook internet searches, thought the website and (fake) trading platform looked professional, and he could see his profits increasing.

The scammers influenced Mr A not to use the main banks and to open accounts with Firm R (on 5 January 2024) and then Chase (on 1 February 2024) after Firm R had blocked his account on 31 January 2024.

Mr A paid the scammers:

- £35,002 through seven payments from his Firm R account between 5 January 2024 and 30 January 2024 to Person L, Person A and Company B.
- £20,000 through his account with Chase, between 1 and 2 February 2024, which consisted of a £10,000 payment to Company C and a £10,000 payment to Person A.

Date	Type of Transaction	Payee	Amount
1 February 2024	Faster Payment	Company C	£5,000
2 February 2024	Faster Payment	Company C	£5,000
2 February 2024	Faster Payment	Bank account of Person A	£10,000

Total			£20,000
-------	--	--	---------

On 31 January 2024, Firm R became concerned about Mr A's payments. They restricted his account and said:

- *'It is highly likely that the transactions you are attempting to make are part of a SCAM'.*
- *'We've recently spoken with another customer who attempted very similar transactions to yours - they confirmed it was a scam'.*

As Mr A still wanted to make a payment, Firm R asked him probing questions about his payments to Company B, Person L and Person A. But Mr A then opened an account with Chase and paid the scammers a further £20,000 between 1 and 2 February 2024.

Mr A says he became aware of the scam after speaking to a financial advisor. Also, he appears to have become suspicious in having to pay fees to release his money.

Mr A complained to Chase and Firm R seeking a refund of his losses plus interest.

In his complaint to Chase, which was only about payment 3 (for £10,000), he said:

- If they had intervened as appropriate, they'd have noted that he was vulnerable and *'suffering with depression at the time of the scam, which clearly had an effect on their ability to make informed decisions and think clearly'*. Also, it should've been clear that a scam was taking place and it would've been uncovered with some robust questioning.
- The payments were out of character as they were large and significantly exceeded the previous day-to-day spending on his account. Also, he was making these payments into cryptocurrency which he hadn't used before.

However, Chase rejected Mr A's refund claim and, presumably under the Lending Standards Board's Contingent Reimbursement Model Code (the CRM Code), they said:

- They would provide a partial 50% refund of £5,000 for payment 3 as:
 - This *'did not correctly flag on our systems, this prevented us from providing you adequate warnings to protect you against a potential scam'*.

Regarding payments 1 and 2, Chase looked at these and said they wouldn't be providing a refund as:

- They did correctly flag on their systems.
- Their agents discussed these payments with him and provided adequate warnings to protect him against a potential scam.

Mr A was dissatisfied with Chase's response and brought his complaint to our service looking for a full refund.

During the course of our investigation, Chase corrected their position on payment 3. They said their systems did flag this payment and they did provide Mr A with relevant warnings, but they *'did miss an opportunity to probe further on certain questions'*.

Our investigator said that, considering Mr A wasn't truthful when Chase intervened and he displayed contributory negligence, she didn't think the refund figure should be increased.

As Mr A remains dissatisfied his complaint has been passed to me to look at.

I issued a provisional decision on 6 October 2025, and this is what I said:

I've considered the relevant information about this complaint.

My provisional decision is different to the outcome of that reached by our investigator. So, I'd like to give both parties a further opportunity to respond.

The deadline for both parties to provide any further comments or evidence for me to consider is 20 October 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If J.P. Morgan Europe Limited trading as Chase accepts my provisional decision, it should let me know. If Mr A also accepts, I may arrange for the complaint to be closed as resolved at this stage without a final decision.

What I've provisionally 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, my provisional decision is different to that of our investigator. I'm upholding this complaint, and I'll explain why.

I should first say that:

- *Although Mr A's scam evidence is limited, I'm persuaded by his submissions and transactions that a scam has occurred here.*
- *I'm very sorry to hear that Mr A has been the victim of this cruel investment scam and lost a significant amount of money here.*
- *In making my findings, I must consider the evidence that is available to me and use it to decide what I consider is more likely than not to have happened on the balance of probabilities.*
- *The Payment Services Regulations 2017 (PSR) and Consumer Duty are relevant here.*

PSR

Under the PSR and in accordance with general banking terms and conditions, Banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Mr A made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, banks and EMI's should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert a prudent banker to potential fraud or financial crime, it might be liable for losses incurred by its customer as a result.

Banks and EMIS' do have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

So, I consider Chase should fairly and reasonably:

- *Have been monitoring accounts and any payments made or received to counter various risks such as anti-money laundering and preventing fraud and scams.*
- *Have systems in place to look 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 banks and EMI's are generally more familiar with than the average customer.*

- *In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*

Consumer Duty

Also, from July 2023 Chase had to comply with the Financial Conduct Authority's (FCA's) Consumer Duty which required financial services firms to act to deliver good outcomes for their customers. Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Chase was required to act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. Also, look out for signs of vulnerability.

Although Mr A has said he was vulnerable and suffering from depression, I can't see any evidence that, prior to this scam, he'd raised any concerns or risks over this with Chase. Also, having listened to Mr A's call, I didn't hear any signs, such as a drop in energy levels or trouble in concentrating, that would've raised concerns with Chase's agents.

Chase accept they should've done more here. Upon reflection they think they 'did miss an opportunity to probe further on certain questions' for payment number 3 for £10,000 on 2 February 2024 (see above table).

Although Mr A didn't complain about payment number 1 and 2, he appears to dispute all three payments. As these all had human interventions and Chase considered them all when investigating his complaint, I've carefully considered them all and:

- *Whether the warnings and probing, from Chase's fraud and scam agents, was effective in detecting a scam and protecting Mr A from financial harm.*
- *Where they are ineffective, whether it is fair and reasonable for liability to be split between both parties.*

I listened carefully to call recordings of the three interventions.

Human intervention 1 – a £5,000 payment on 1 February 2024

I found that that on the intervention call the Chase agent issued general scam warnings and asked Mr A a number of open and closed probing questions. But Mr A wasn't truthful on the call, saying the payment was a final payment for a car.

The agent may possibly have been suspicious as she noticed that no sooner than he had opened the Chase account, Mr A was making an immediate payment for exactly the same amount that he had just transferred from his other bank. Also, this activity was unusual and a possible scam indicator and she was aware of and followed up on automated warnings he had received about impersonation / safe account scams and scammers trying to take control of his computer.

In addition, she asked Mr A why he opened the account and, after he said it was both to save for and 'pay off a car', she asked if he had been instructed to do the transaction and say the reason was for a car purchase. Also, she asked if he had downloaded software onto his computer.

Although the agent did probe and give educational information on scams, considering Mr A:

- Had just opened the account and was immediately making a payment for the same amount credited.*
- Said it was a private car sale and he already had possession of the car, which I think sounded unusual as a private seller wouldn't normally release the car until full payment was received or be a company which appeared to be a courier*

company.

C. Also gave saving for the car as a reason for opening the account, which is difficult to understand as he had already purchased the car.

I would therefore have expected the Chase agent to have additionally probe B and C.

I'm not persuaded that any probing questions or further education or warnings would've got Mr A to tell the truth, enabling the scam to be unravelled. I say this because:

- *He was untruthful to the above Chase agent and two other agents on subsequent Chase interventions.*
- *I've also seen evidence of Mr A being repeatedly untruthful in Firm R's automated and human interventions which included probing questions.*
- *The day before payment 1, Firm R had blocked a payment to the scammers and told Mr A that another customer of theirs who attempted very similar transactions confirmed it was a scam. Yet Mr A still made untruthful statements and wanted to make the payment.*

Although I think Mr A wouldn't have been truthful with Chase and he may have given plausible answers to probing questions around point B and C, I think the combination of points A, B and C, following his initial answers, should've caused the agent to be suspicious and prompted her to ask for him to provide some evidence of his car purchase with Company C such as the car advert and previous payment invoice. And to block the payment until this was produced.

Considering what happened when Firm R asked for evidence, I think it more likely than not that Mr A would've argued (which would've further raised suspicion), wouldn't have been able to produce any evidence and would've looked at another way of paying the scammer. So, I think the agent would've then blocked the transaction and restricted the account.

Human intervention 2 – a £5,000 payment on 2 February 2024

Upon intervention 2 Mr A continued to be untruthful, sticking to the same story about the payment being a final payment for a car purchase.

It's unclear if the Chase agent, on intervention number 1, made a note of the intervention call but I think there ought to have been such a record on Chase's system.

If there was a record and if the agent checked this, he would've seen that Mr A had previously said he'd made a final payment for the car and wanted to use the account to save. I think this contradiction together with the following information should've caused him to be suspicious, probe further with more open questions and also ask for evidence of a car sale before releasing the payment:

- *Mr A was now making a second immediate payment again for the same amount that he had just transferred from his other bank.*
- *Company C appeared to be a courier company.*

So, at this intervention stage, I think Chase should've also blocked the payment and restricted the account until he could produce evidence of the car purchase.

Human intervention 3 – a £10,000 payment on 2 February 2024

I found this to be a very weak intervention, as there was a lack of probing questions. So, I can understand Chase accepting they should've done more here and offering a refund from this point.

Similar to intervention call number 2, the agent appears to be unaware of the previous intervention calls. And this would've been the third successive car payment in two days, this time for a different reason and to a different person. Also, there was now further and stronger evidence of multi-stage fraud with another £10,000 going into the account only to go straight out.

So, I think Chase's agent should've also blocked the payment and restricted the account until he could produce evidence of the car purchase.

Having considered all three calls, although I recognise Mr A wasn't being truthful and misled Chase's agents, for the reasons mentioned above, I think Chase should've been suspicious and shouldn't have allowed any of the payments to proceed without further probing and asking to see evidence that Mr A wouldn't have been able to provide.

Even though I don't think Chase could've unravelled the scam, when considering causation, I currently think all three payments should've been stopped and the account should've also been restricted preventing the loss.

I then considered whether:

It is fair and reasonable for liability to be split between both parties

There's a general principle that consumers must take responsibility for their decisions. With this in mind, I considered whether Mr A did enough to protect himself from the scam.

Although I recognise how convincing these cruel scammers are and I appreciate the personal difficulties Mr A was facing at the time, I think he ought reasonably to have:

- *Been concerned about how a professional company would require him to:*
 - *Invest without any documentation.*
 - *Be dishonest with his bank.*
 - *Pay unknown individuals.*
 - *Pay a company that appeared to be a courier company.*
 - *Download software onto his computer that enabled them to take control of it.*
- *Listened to Firm R's warning that it was a scam and relevant warnings from Chase and Firm R including about the risks of downloading software.*
- *Sought independent advice at an early stage.*
- *Completed his own due diligence checks.*

Considering the above, I'm satisfied that there was contributory negligence from Mr A.

In a situation where both the customer and the business are equally at fault, I think it is only fair and reasonable for liability to be shared from the point – which I consider to be payment number 1 – the payments to the scammer should've been stopped.

Regarding the inability of Chase to recover Mr A's loss, I'm satisfied this was due to a combination of the date the scam was reported to them and the funds being swiftly moved from the recipient's accounts rather than a lack of effort from Chase.

Although I recognise Chase did make efforts to protect Mr A from financial harm and he misled them, my provisional decision is for Chase to provide Mr A with a refund from payment 1.

My provisional decision

For the reasons mentioned above, currently my provisional decision is to uphold this complaint against J.P. Morgan Europe Limited trading as Chase.

This is a provisional decision and subject to any comments that either Mr A or J.P. Morgan Europe Limited trading as Chase may wish to make.

These must be received by 20 October 2025.

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.

Further to my provisional decision:

- Both parties queried the settlement amount which I clarified was:
 - 50% of the three payments
 - Less amounts already paid
- Mr A appeared to accept my provisional decision as he said '*please proceed*'.
- Chase said they accepted my provisional decision.

As both parties accept, I adopt my provisional decision and reasons as my final decision.

Putting things right

To put things right I require J.P. Morgan Europe Limited, trading as Chase:

- To pay Mr A £10,000 (which, due to contributory negligence, is 50% of payments 1, 2 and 3) less any amounts already paid (which I understand to be £5,000).
- Plus 8% simple interest from the dates of the payments to the date of the settlement.

My final decision

My final decision is that I'm upholding this complaint and I require J.P. Morgan Europe Limited, trading as Chase, to pay the amounts detailed in the above 'Putting things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 November 2025.

Paul Douglas
Ombudsman