

The complaint

Mr H complains J.P. Chase Europe Limited trading as Chase won't refund the money he says he lost due to fraud.

What happened

I issued my provisional decision on this complaint on 31 October 2025. I wanted to give both sides a chance to provide any further evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. Mr H says he fell victim to investment fraud after investing £6,000 in March 2024 with the alleged scammers, into what he believed to be a legitimate trading platform. He came across the investment after seeing an advertisement online that had a celebrity endorsement and believed it would help him create a reliable income. He first used the demo trading account before being called by the alleged scammers, who strongly suggested he move over to the live environment platform. He says he only proceeded to create the account because he believed he was applying to a UK based entity - only discovering later this was not so. Mr H suggests this was to ensure he had less regulatory protection.

Mr H confirms he did withdraw funds totalling £1,977.81 which reassured him of the platform's legitimacy. He now believes the investment company was portraying itself as legitimate but engaging in deceptive, coercive and fraudulent behaviour and the withdrawals were fake profits. He says he reached this conclusion when he lost all but circa £2 of his investment. It was at this point he came to the belief he had been scammed. Mr H reported this to Chase but it found this was more a civil dispute and subsequently did not uphold his complaint. Similarly, it also did not agree that a chargeback had any prospect of success as the service was provided. It did accept there were some service failings throughout and credited £150 to Mr H's account.

Unhappy with Chase's outcome, Mr H referred the complaint to us. Amongst other points, Mr H has informed us of the following:

- The firm he invested in appeared legitimate on the surface but was engaged with fraud-like practices at the time he made the payments. This included high-pressure sales tactics, deceptive conduct, manipulation of trading activity and pressure to cancel disputes through coercive calls.*
- His report highlights the investment firm's practices resulted in his account being drained more rapidly by accelerating it towards a margin call, and an eventual total automatic selling and closing of the investment. This margin call created pressure on him to deposit further funds, to avoid it closing. He states his findings indicate deliberate manipulation, rather than random market. This, alongside the various internet links showing class action lawsuits against the investment company, should be enough to evidence a reasonable belief he was scammed.*
- We should issue an outcome on what is known now, rather than in light of the facts as they were in the past. The warning the Financial Conduct Authority ("FCA") has published is retrospective evidence that supports his allegations that the firm he*

invested with was conducting suspicious activity – even if that wasn't clear from his transactions at the time.

- At the time, he believed he understood what he was doing and did not know he was vulnerable. However, in hindsight his judgment was severely impaired. He was taking medication prescribed by medical professionals which impacted his ability to assess risks and make sound financial decisions. Although he accepts he did not inform Chase of his vulnerabilities as he did not previously know he could do so.*
- Chase should have completed a chargeback – as he had successfully completed one with another financial institution.*
- We have upheld other cases where financial institutions did not uncover the vulnerability of an account holder.*
- Chase failed in its complaint handling process, including not supplying a response within 8 weeks, their response including incorrect details and by handling the complaint the way it did, it prevented him from raising a formal complaint at the end.*
- Chase's service failings exacerbated his health issues linked with his overall vulnerable situation.*

Our Investigator reviewed the complaint and did not uphold it because she thought the evidence showed this was a civil dispute. Similarly, she therefore did not think Chase's chargeback decision was unreasonable. Nor did she think the service failings which occurred warranted any additional compensatory award and considered the £150 credited to be fair. Mr H disagreed and requested a decision.

As the complaint could not be resolved informally between the parties it has been passed to me to issue a decision. I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused 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'm also 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. However, as part of my considerations is the evidence which has come to light at a later stage which may show a scam has occurred.

I am sorry to learn of Mr H's loss of funds and about the very vulnerable situation (due to the sensitive nature of his health conditions I will not draft them all here) he has explained he was in when investing his funds. However, it would only be fair for me to tell Chase to reimburse him for his loss (or a proportion of it) if: I thought it reasonably ought to have prevented all (or some of) the payments he made, or hindered the recovery of the payments – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach. I've considered all applicable law, caselaw, regulations, good industry practice, etc whilst doing so.

I have kept in mind that Mr H made the payments himself and the starting position is that Chase should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr H did not intend for his money to ultimately go to an alleged fraud or scam, but he did authorise these payments to take place.

There are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made. Banks have various and long-standing obligations to be alert to fraud and scams and to act in their customers' best interests. Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - 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 its products, including the contractual terms, enabled it to do so.

These obligations are predicated on there having been fraud or a scam. So, I would first need to determine whether there is sufficient evidence to show a complainant has been the victim of fraud – rather than it being a civil dispute between parties. This means I'd have to be satisfied that the alleged scammer set out to deceive Mr H and had no intention of providing genuine services. As part of this I have considered all available evidence, including that evidence which only came to light later in the process such as any Financial Conduct Authority (FCA) warnings. I will note that I agree with Mr H that fraud does not require a company to be unregistered, or a clone.

Considering all the evidence that has been supplied to me I'm not persuaded that I can find the investment firm did set out to defraud Mr H of his funds. Although I've noted his strong disagreement with this, it seems more likely he invested with a legitimate entity offering a genuine investment platform. Disputes as to whether the charging structure is unfairly weighted against investors is not in itself a clear indicator of fraud, or a scam. Such an argument would more be in relation to whether a regulatory failure has occurred. Arguably, Mr H appears to have initially made a profit, which he withdrew, whilst this same structure was in place – suggesting the funds deposited were used for the service he expected. I've not seen sufficient tangible evidence these were fake profits as Mr H argues. It seems Mr H was unable to withdraw at the point his account was updated to reflect its actual account balance, circa £2. Not every investment will be successful and each carries an element of risk. For completeness, I'll also add that not every investment that has a celebrity endorsement is a scam.

I've kept in mind the platform Mr H invested in is still available for use and the firm is regulated by the Seychelles Financial Services Authority (FSA). I'll note here that being regulated by any regulator is rare for investment scams. Similarly, it outlines the risks of investing on its website which is not something a scammer would usually highlight – instead they would tend to focus on offering high returns, with low risk. It's almost certainly because of the regulatory expectations placed upon the platform, which they are therefore highly likely to be following, which generally outline that they must highlight the potential risk to retail investors. Although I cannot see the website as it appeared in 2024, I have seen some records of how it looked many years prior which did also feature some warnings.

However, this doesn't mean the investment firm has not breached any wider regulations. Whether it has, or not, is not something for me to consider in this complaint against Chase. Mr H has already taken the action he thinks is applicable by contacting the FCA. It may well be in response to this that it added a warning in 2024, which states the firm 'may be

providing or promoting financial services or products without [the FCA's] permission. You should avoid dealing with this firm and beware of scams'.

Conducting regulated activities, without having FCA authorisation to do so, does not automatically mean a firm is also committing fraud or a scam. However, the FCA's warnings in such situations are to ensure potential investors are aware of what 'may' happen. I appreciate Mr H's concerns about the conduct of the investment firm, and as he has highlighted within his report, internet links and wider evidence including his testimony, it may well be that his concerns are well founded. However, a lot of this evidence is more circumstantial, as are the online review websites highlighted by our Investigator, when it comes to deciding if fraud has occurred.

I'm also not persuaded that Mr H's payment was suspicious enough to warrant intervention from Chase. Although such a payment may well have been more unusual compared with Mr H's usual account activity, I think it's important to highlight that there are many payments made by account holders each day, at a variety of different times. It's not reasonable to expect banks to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent they intervene in payments to protect their customers and not unnecessarily disrupting legitimate payment instructions. The FCA warning was not present at the time of payment, nor were there wider warnings or anything else I could find that would have sufficiently highlight that Chase should have been concerned about the payment. I would not have expected Chase to conduct the detailed level of analysis Mr H has done prior to allowing send his funds. As Mr H states, the platform at that time would have seemed a legitimate one - even if it later turned out to be a scam. Instead, the payment would have looked like Mr H was sending funds to a legitimate merchant. This investment did not have the common hallmarks of an investment scam, or fraud.

I have considered the vulnerabilities Mr H has explained he had at the time of the payment – I do not doubt the circumstances he has shared to be accurate and so I do not require any additional medical evidence of them. Mr H said he did not inform Chase of these vulnerabilities at that time as he says he was unaware he could do so. However, he is correct that the regulatory expectation is for financial institutions to be aware that all account holders are at risk of becoming vulnerable. This does not mean, as Mr H suggests should have occurred, in isolation of anything indicating a vulnerability, that he should have been questioned as to his current wellbeing - including whether he was taking medication. Even where a discussion occurs, it should not amount to an interrogation. What I have kept in mind is that Mr H states he was not aware he was vulnerable and believed he knew what he was doing. With Mr H being of such a mindset, with no clear indicators showing the contrary, it would have been difficult for Chase to discover any vulnerabilities even had it questioned him. There is no sufficient evidence to show that Chase should have been aware that Mr H was not able to competently authorise the payment. Additionally, when another bank, albeit at an earlier point in the investment timeline, spoke with him, he answered all questions without giving what I consider any indicators of a vulnerability. So, as well as not being persuaded Chase missed an opportunity to ascertain Mr H was vulnerable, on balance I do not think it could have discovered his current situation.

I've noted Mr H has referenced decisions that he believes are close to his circumstances. However, we consider each case on its own individual merits and although he believes the circumstances of other decisions seem to be similar, there are key differences. This is not necessarily apparent without seeing the full details found within the file, which are not publicly visible.

Service issues

I am aware that all parties broadly agree on what occurred as part of Mr H's fraud/scam review journey. And although Mr H has stated he is not seeking an additional distress and inconvenience award, I will still briefly comment on what occurred. One thing I have kept in mind whilst considering this aspect of my decision is that Chase was aware of the vulnerable situation Mr H was in – and the losses he suffered had exacerbated his condition. However, similarly I have kept in mind the main reason for Mr H's anxiety came from the investment firm he believes acted fraudulently.

I will note here that complaint handling is not a regulated activity, so I will comment on these aspects of Mr H's complaint in line with our ability to consider unregulated points as ancillary to a regulated activity. As I have highlighted at the start of my decision I may well not comment or respond to each point individually, however everything has been considered as part of my review. I will not highlight how each complaint handling-linked point falls within our remit alongside a regulated activity. But, I will highlight if any are not within my remit to comment on.

Chase did accept there was a delay in filing the scam case in May 2024. And similarly in June 2024 when Mr H messaged confirming he had uploaded a document for the complaint specialist, the chat advisor did not inform the complaints department of this. Chase also did not inform Mr H of the outcome of his chargeback review – and he was only told after he asked. This clearly left him confused as to what occurred during an arguably already difficult time. I do appreciate that in fraud/scam investigations it is difficult to give exact timeframes of when the relevant team will be in contact and/or an outcome reached. However, although I've noted at different points Chase tried to reassure him, I do not doubt the additional impact these failings would have had on Mr H overall – as is evidenced within his testimony and the in-app chat. Alongside this, I can see why some of Chase's updates, and sometimes lack thereof, added to Mr H's anxiety. So, overall I do think Chase could have been a bit clearer as to the steps which I think would have helped support Mr H through this journey – especially in relation to the chargeback process, and as the deadline he was concerned about approached. Although I am not persuaded Chase was merely pacifying Mr H, or giving false promises, I can appreciate how from his perspective it seemed like action wasn't being taken, adding to his distress.

Mr H has highlighted there were points where he had to restart chats, sometimes sharing the same information so the agent could locate the issue in question. However, in-app chats such as this usually do have multiple agents that will respond to the points. This is an attempt to give more speedy answers to general queries and better customer service, and allows those in specialist areas to focus on reviewing scam allegations for example. However, it does mean anything outside of the front-line staff's area of expertise would then need to be referred to the specialist team – which is where Mr H discovered that specific timescales could not be given. I've also noted, there do look to have been situations where conversations were prematurely closed by Chase. And situations where Mr H was left believing a call would be coming – without the additional detail shared to explain that in some instances it did not mean it was happening imminently. Or, as in one situation, the call happened more quickly than Mr H requested. All ultimately leading to Mr H having a complaint against Chase opened up far more quickly than he was planning.

Mr H was also concerned with the speed in which Chase responded to his complaint and some potential incorrect information within the final response. As these points specifically relate to the handling of Mr H's complaint I would not be able to comment on them. However, I will note that as soon as the time has passed following a complaint being raised, or if a complainant is unhappy with the information found within a final response, the complaint can then be referred to us to investigate.

Considering all the evidence supplied, I do agree with all parties that there were some service failings. So, I think it was fair of Chase to credit Mr H's account with £150. I also agree it was fair of it to have given feedback as necessary to its advisors. I would not consider any further redress is applicable in this situation. However, Mr H's feedback of how he found Chase's service as a vulnerable customer is useful feedback for it to have taken note of.

Recovery

The only method of recovery Chase has for payments made by card is to request a chargeback. It is not an automatic right that a chargeback will occur and even where one bank decided to proceed with one, it does not mean another was wrong not to do so if there was a reasonable basis for it to believe it would not be successful. Mr H believed he a claim under the service being defective/not as described was reasonable.

It's clear Mr H was expecting a process similar to what had occurred with his other bank. So, Chase could have explained how it was considering this recovery action to ensure Mr H understood what was occurring.

In this instance Chase found the dispute between Mr H and the investment firm to be a civil dispute – and ultimately the service was completed with the funds being deposited into Mr H's chosen account. Therefore, under this finding it was not unreasonable of it not to proceed with the chargeback.

Consequently, I do not think Chase need to take any further action. I realise this means Mr H is out of pocket and I'm sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint and make any additional award.

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've considered Mr H's further comments, to decide whether or not I should depart from my provisional decision. However, having done so, I'm not persuaded there is a compelling basis for me to do so.

I will not include all the details Mr H has supplied me with, but all have been considered as part of this decision. My additional points below should be considered in conjunction with my provisional decision and I may choose not to repeat anything already covered above. Briefly, and in my own words, Mr H responded with the following points:

- An intervention should have occurred as he considers this was a highly unusual payment pattern, compared with his usual account activity.
- Chase failed to proactively assess whether he was vulnerable or not.
- His chargeback was denied, without reasonable basis, before he was able to submit his evidence – even though he had requested one be completed multiple times. Under the scheme rules he believes his particular situation is covered and this has been endorsed by our standard approach to such cases. Similarly, regulatory principles apply.
- The complaint handling DISP rules were breached.
- A legitimate company does not mean they were not conducting fraudulent practices.

Should an intervention have occurred?

I am still not persuaded that Chase should have intervened prior to allowing Mr H's payment. There was no identifiable pattern, nor common features of an investment scam, that Chase ought to have been concerned with. Such a payment, albeit with newly credited funds being transferred at such a time, in isolation of wider concerning factors is not something I think Chase should have prevented. There is a balance between the extent I would expect Chase to intervene with authorised payments to protect their customers and disproportionately disrupting legitimate payment instructions. Ultimately, this payment would have looked like Mr H was sending funds to a legitimate merchant.

Should Chase have ascertained Mr H's vulnerability

Although I do not doubt Mr H was in a vulnerable position, which I appreciate he hadn't shared with Chase, I must also be satisfied that Chase missed an opportunity to ascertain he was. As I do not consider an intervention was required, I would have to be persuaded that Chase ought to have been aware of something suggesting Mr H was vulnerable and questioned him on this. However, as Mr H didn't even believe himself to be vulnerable, I am not persuaded that there was anything which would have highlighted to Chase that there was a reason to question him.

Should a chargeback have occurred

Ultimately, I am not persuaded Chase acted unreasonably by choosing not to proceed with the recovery option of a chargeback after considering its prospects of success. Had Mr H not invested his transferred funds they would still be available for him to withdraw as and when he wanted.

A chargeback is not an automatic right, nor one that automatically ensures funds are recovered. I do not consider that Chase has breached any wider legal, regulatory principles, or good industry practice by choosing not to proceed with the chargeback - or by not requesting further evidence from Mr H. Choosing not to proceed with the chargeback where the claim is unlikely to succeed does not mean a lack of due skill, care or diligence – nor is it failing to treat a customer fairly. Chase considered chargeback as a recovery option, which is what I would expect of it, but did not decide to pursue it. I have considered this finding and do not find it unreasonable where it ultimately seems Mr H lost his funds trading, which is not covered within the scheme rules.

Although I appreciate Mr H says he was successful with a chargeback via another bank – my decision is based upon the circumstances presented to me here. Considering them, I do not find Chase has acted unreasonably.

The FCA Handbook - DISP

Complaint handling is not a regulated activity within the DISP rules and so I am unable to consider Mr H's complaint handling concerns – this includes the length of time a complaint took to be considered. Any regulatory failings like this would need to be flagged to the FCA. Our Jurisdiction can be found within DISP 2.

Was the platform conducting fraudulent practices

It is the conduct of Chase I am considering under this complaint and whether it failed in its duty to protect Mr H. I do agree with Mr H that a legitimate company does not necessarily equal legitimate conduct. But overall, it seems he was investing with a genuine platform that is also regulated (just not by the FCA). Whether that company's conduct through its

practices has breached its regulatory obligations in our, or its own jurisdiction is not something for me to consider against Chase.

It seems Mr H chose to conduct investments which allowed him to generate a profit before he unfortunately lost almost all his funds when he continued trading.

I am sorry to hear Mr H lost his funds. However, it would not be fair for me to hold Chase liable when I do not consider it could have prevented his losses, or that it acted unreasonably when considering the chargeback.

My final decision

My final decision is I do not uphold this complaint against J.P. Chase Europe Limited trading as Chase.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 January 2026.

Lawrence Keath
Ombudsman