

## **The complaint**

Mr J complains that J.P. Morgan Europe Limited trading as Chase (Chase), as the recipient bank, won't refund him money that he says is lost to a 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 November 2023 Mr J agreed to lend money to a friend of his that I'll call Ms D. Mr J says he's known Ms D for around 20 years and that he'd previously lent money to her which she'd started paying back. He was told the loan was only needed for a very short period of time and he agreed to help out.

As a result of this he transferred £5,000 from his account with another bank 'S' to Ms D's account with Chase. Mr J says that Ms D has since told him she's unable to return the money as she's been a victim of a scam. Mr J complained to his own bank S, who deemed this to be a civil dispute between him and Ms D. He also complained to Chase, he alleged he was tricked into sending money to Ms D and that they'd failed in relation to the recipient account. He is seeking the return of the £5,000.

Chase didn't uphold the complaint or offer any redress, they pointed out that the payment hadn't been reported to them by S and referred Mr J back to them. Our service considered Mr J's complaint about S and the outcome was that our Investigator broadly supported S' position and didn't recommend they needed to do more. This complaint about Chase was considered by an Investigator who ultimately also didn't recommend it should be upheld. Mr J disagrees and has asked for an Ombudsman to review his complaint.

## **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 outcome as our Investigator and for broadly similar reasons. I know this will be disappointing for Mr J, so I'll explain why.

Firstly, it isn't entirely clear whether Ms D intended to scam Mr J. Given the long history between them, it's possible that she was a victim of a scam as she says and borrowed the money from Mr J in good faith but was then tricked into losing it.

If that were the case, then I couldn't fairly require Chase to make a payment to Mr J, this would be a dispute between him and Ms D. In this scenario, the payment between Mr J and Ms D wouldn't have been made as a result of Ms D tricking him, and Chase aren't required to intervene in legitimate payments. It could also be argued that Mr J is still owed the money he loaned to Ms D (under whatever agreement they had) and again, I couldn't fairly expect Chase to step in and provide a refund if their customer was later unable or unwilling to fulfil her agreement with Mr J.

But even if I were to accept that Ms D had dishonest intent when persuading Mr J to send her the £5,000 (something I explicitly make no finding on), this still wouldn't change my mind as to the outcome of this complaint.

I've seen evidence of the checks and identification documents taken during the account opening process. And I don't think there were any failures by Chase which could be said to be causal to Mr J's loss. Indeed, it doesn't seem to be in dispute that Ms D is who she said she was. I don't think Chase could've known, when opening the account, that it would later go on to be used in connection with an alleged scam.

There is also nothing in the account activity (prior to the arrival of Mr J's payment) which I think Chase ought to have intervened in in a way that would've prevented Mr J's loss or otherwise have caused the account to have been blocked or closed. And importantly, even if I'm wrong on this point (and Chase ought to have closed the account before Mr J's payment arrived), this still wouldn't change the outcome for me. The evidence supports that Ms D held accounts elsewhere and in the event of the Chase account being closed, it's more likely than not that she would've just asked Mr J to make the payment into another account she controlled and he wouldn't have ended up in a meaningfully different position.

Mr J feels strongly that his own bank S had previously told him that the Chase account he paid was a 'compromised account'. So, he thinks Chase ought to have closed it and that this would've prevented his loss. Firstly, I don't think S would've had oversight of Chase's accounts in the way that Mr J suggests, and I've not seen evidence to support that the account he paid was 'compromised' as he says. But even if I were to accept what Mr J says (that it ought to have been closed), which for clarity I don't, I still think it's more likely than not he would've paid a different account belonging to Ms D in line with what I've said above.

In the context of the existing pattern of use, there was nothing unusual or suspicious about the arrival and sending on of Mr J's payment to this account. I don't think this was something I could fairly have expected Chase to have intervened in in any way.

I also don't think it was wrong for Chase to refer Mr J back to his own bank when he first told them of his allegation about his £5,000 payment. This is common industry practice for the reporting of scam allegations. So, I don't think there were failures in their response to Mr J's report and I'm not persuaded his funds were recoverable at that time in any case.

So whilst I understand this will come as a disappointment to Mr J and he feels that a thorough investigation hasn't been done. Having considered the available evidence and information, I'm not persuaded that there is any reasonable basis upon which I could require Chase to do more to resolve this complaint.

### **My final decision**

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 8 May 2026.

Richard Annandale  
**Ombudsman**