

## The complaint

Ms C complains that J.P. Morgan Europe Limited trading as Chase ('Chase') won't refund the money she says was lost as the result of a scam.

## What happened

In 2024, Ms C saw an advert for a car online on a marketplace. She was interested in the car and arranged to meet the seller for a test drive. Ms C says the seller took her on a test drive around the block and that her partner checked underneath the car and the engine bay.

Satisfied with the car, Ms C made a payment to the seller for £1,100, being the agreed purchase price. I'll refer to the seller of the car as F.

On the drive home, Ms C says the car overheated and stopped. Ms C had to call the AA to recover the vehicle and says it will have to be scrapped.

Ms C says she checked the paperwork when she got home and saw that F wasn't listed as the owner on the V5. So, she contacted the listed owner who says they sold the car to F three days prior as a "non-runner".

Ms C contacted Chase the same day as she made the payment and asked them to refund her.

Chase contacted the beneficiary bank to try and recover the funds. But they declined to refund Ms C, saying she has a civil dispute with F.

Ms C wasn't happy with Chase's response, so she brought a complaint to our service.

An investigator looked into Ms C's complaint but didn't uphold it. The investigator said Ms C wasn't entitled to a refund under the Contingent Reimbursement Model Code (CRM Code), as Ms C hadn't evidenced that she was the victim of a scam.

Ms C disagreed with the investigator's opinion and raised the following points:

- F lied when he told her he'd owned the car for over a year.
- While Ms C can't provide a copy of the advert F posted, she says the car was sold as "good condition running".
- She informed Chase within an hour of making the payment, so they should've been able to recover the funds.
- Without F's contact information she can't pursue him to recover her money.

As the case couldn't be resolved informally, it was passed to me to review.

Having reviewed the case, I reached the same overall outcome as the investigator – but for different reasons. So, I issued a provisional decision explaining why and giving both parties a chance to respond before a final decision was issued.

## My provisional decision

In my provisional decision I said:

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

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account 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.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is more likely than not to have happened in light of the available evidence.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Ms C authorised this payment, although she did so not realising that she would suffer a financial loss. But that doesn't make the payment unauthorised, and the starting position is that Chase isn't liable to refund Ms C.

The investigator considered Ms C's complaint under the provisions of the CRM Code. But the CRM Code doesn't apply to Ms C's case, as Chase haven't signed up to it or agreed to apply its provisions.

However, Chase have set out in their terms and conditions, the conditions under which their customers are entitled a refund after falling victim to fraud or a scam.

Having reviewed those terms and conditions, I'm not satisfied that Ms C is entitled to a refund, and I'll explain why.

### Chases terms and conditions

Chases terms and conditions that apply to this case say:

#### 10. Refunds and help

##### Refunds

You'll generally get a refund for a payment if you have any of the problems set out below, unless you've been fraudulent, in which case no refund will be provided. We've also set out how quickly you can expect to get your money back, when you won't get a refund and other important information about our approach to refunds and what we expect from you.

(...)

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.

#### Why I'm not satisfied that Ms C is entitled to a refund

In this case, Ms C wasn't tricked into sending the money to someone else. She was purchasing a car from F, she made payment to F and received the car.

So, I need to decide whether I'm satisfied that Ms C made a payment for what she believed was a genuine purpose, but which was actually fraudulent.

Ms C says it was fraud because:

- F lied about where he lived.
- F said he had owned the car for longer than he actually had.
- The car was sold to F three days prior as "non running".
- After driving the car for two miles the car overheated and stopped working and is now only suitable for scrapping.

Unfortunately, as an informal mediation service, I'm unable to test the evidence Ms C says she received from the previous owner of the car. And we don't have any testimony from F setting out his side of the story. Also, Ms C is unable to provide us with the advert that F posted in listing the car for sale, although she says the car was advertised as in "good running condition".

It's possible that F spent money on the car, between purchasing it and reselling it, to repair the issues with the car. Also, F allowed Ms C to have a test drive of the car before she paid for it, albeit it was only around the block. And Ms C was able to drive the car for 2 miles, after paying for it, before it overheated and stopped working. I also have to take into account that the receiving bank deemed the matter a civil dispute and that the car passed an MOT four months prior – albeit with a number of advisory points.

Having carefully considered all of the evidence, I'm not satisfied I can fairly say it's more likely than not that F sold the car to Ms C knowing that it would breakdown when it did. While F appears to have lied about how long he owned the car for, and he met Ms C at an address he doesn't live at, there could be genuine reasons for this.

I realise that Ms C will be disappointed and will disagree, but I'm not satisfied that the evidence proves F set out with the intent to defraud Ms C. So, I'm not satisfied that Ms C is entitled to a refund under Chase's terms and conditions.

I have also considered whether I would've expected Chase to have intervened when the payment was made, and whether they should've prevented Ms C's loss.

Taking into account the size of the payment, Ms C's previous account activity, and that it was a single payment, I'm not satisfied that it was so unusual and out of character that I would've expected Chase to have identified an APP scam risk. I say this because I don't think there was enough information available to Chase that meant they should've been concerned when the payment was made. As I'm not satisfied that they should've identified an APP scam risk, I wouldn't have expected them to have contacted Ms C to discuss it.

I realise this was a lot of money for Ms C, but Chase has to find a balance between identifying potentially concerning payments and taking appropriate action, while ensuring minimal disruption to legitimate payments.

In this case, I'm not satisfied that Chase should've intervened or prevented Ms C's loss when the payment was made.

### Recovery of funds

Ms C raised a fraud claim with Chase within an hour of making the payment. But F had already removed the funds from his account, so Chase were unable to recover her money. I realise that Ms C has suffered a financial loss, and she's frustrated the receiving bank won't provide contact information for F. But, under data protection legislation, she isn't entitled to this information. I do appreciate this means that Ms C is unable to chase F directly to try and recover her money.

I'm really sorry to disappoint Ms C, but I'm not satisfied that I can fairly hold Chase liable for her loss or ask them to refund her.

My provisional decision was that I didn't intend to uphold this complaint.

### **Responses to my provisional decision**

Under the Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.14 and 3.5.15, say, if a respondent and complainant fail to comply with a time limit, the ombudsman may proceed with the consideration of the complaint.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my final decision.

### **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.

As I haven't been provided with any new evidence or arguments, I see no reason to reach a different conclusion than the one I reached in my provisional decision.

### In summary

I'm not satisfied that Ms C has proven that F set out with the intention to defraud her, so she's not entitled to a refund under Chases terms and conditions. And, as I wouldn't have expected Chase to have intervened when the payment was made, I can't fairly say Chase could've prevented her loss.

While Ms C reported the scam promptly, as the funds had already been removed from the beneficiary's account, Chase couldn't have recovered her money.

For the reasons given above, I'm not satisfied that I can fairly ask Chase to refund Ms C.

### **My final decision**

My final decision is that I don't uphold this complaint against J.P. Morgan Europe Limited trading as Chase.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 24 December 2025.

Lisa Lowe  
**Ombudsman**