

## The complaint

Mr K complains that J.P. Morgan Europe Limited, trading as Chase, won't refund the money he lost when he was the victim of what he feels was a scam.

## What happened

In March 2025, Mr K saw a car he was interested in buying advertised online. He contacted the seller and agreed a price. And, after test driving the car, he then made a payment of £17,000 from his Chase account to purchase it.

I've set out the payment Mr K made from his Chase account below:

<b>Date</b>	<b>Amount</b>
8 March 2025	£17,000

Mr K drove the car back to where he lived. But around nine days later it broke down and, after taking it to a garage, he discovered there were significant mechanical issues with it. Mr K asked the seller for a refund, but the seller refused so Mr K felt he had been the victim of a scam.

Chase investigated but said Mr K had received goods from a legitimate company, so it felt this was a civil dispute between him and the seller – rather than a scam. And so it didn't agree to refund the payment he had made. Mr K wasn't satisfied with Chase's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think the circumstances here met the definition of a scam from the relevant reimbursement rules, so didn't think Chase should be required to refund the payment Mr K had made. Mr K disagreed with our investigator, so the complaint has been passed to me.

## 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.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

The Payment Systems Regulator introduced the APP Scam Reimbursement (ASR) rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain circumstances. However, the rules only apply where the customer has been the victim of an APP scam, which the rules define as:

*“Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a Consumer into transferring funds from the Consumer’s Relevant account to a Relevant account not controlled by the Consumer, where:*

- *The recipient is not who the Consumer intended to pay, or*
- *The payment is not for the purpose the Consumer intended”*

The rules also specifically outline that private civil disputes are not covered. And a private civil dispute is defined in the rules as:

*“a dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”*

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

*“Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act.”*

It also provided an example of a civil dispute:

*“...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.”*

So in order to determine whether Mr K has been the victim of a scam as defined in the ASR rules, I need to consider whether the payment was made for the purpose he intended and then, if it wasn't, whether this was the result of fraud or dishonesty on the part of the seller.

I've thought very carefully about this, and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is more likely to have happened, based on the evidence I do have.

The seller of the car appears to be a limited company which deals in the sale of used cars. It had been registered on the government's register of limited companies and filed accounts for several years before the payment Mr K made here, which I wouldn't necessarily expect of a company operating a scam. And it continues to have a functioning website and an overall significantly positive rating from a number of online reviews, which I also wouldn't expect a company operating a scam to be able to arrange.

Usually in a scam involving the purchase of a car, the victim will not receive the car after making a payment for it. But here, Mr K did receive the car he was intending to buy and still has ownership and possession of it – albeit he says it is not road worthy. So he received the goods the payment was intended to purchase, which suggests both his and the seller's intention for the payment were the same – to pay for the purchase of a car.

I appreciate Mr K has said he feels the condition of the car was misrepresented to him by the seller before he agreed to purchase it and that the seller withheld information from him, as he was told it was “all good” and “drives perfect”. But I think this more closely resembles a complaint about the quality of goods received or that the goods are defective in some way which, as I explained above, are specifically excluded from the definition of a scam in the ASR rules.

Mr K has also said the car wasn't fit for purpose when it was sold to him. But while this kind of issue, and the misrepresentation he mentions, may mean Mr K could make a claim against the seller under consumer protection legislation, any such claim wouldn't be the responsibility of Chase. And I don't think these issues go far enough to suggest the seller was operating a scam.

So I'm not persuaded the available evidence is sufficient to safely conclude that the purpose the seller intended for this payment was different than the purpose Mr K intended, or that the payment wasn't made for the purpose Mr K intended. I think both Mr K's and the seller's intended purpose for the payment was the same – to pay for the purchase of a car. While Mr K feels he was misled about the condition of the car, I don't think this meets the definition of a scam from the ASR rules.

And so I think Chase has acted reasonably in saying the circumstances here don't meet the definition of a scam from the ASR rules, and in not agreeing to refund the payment Mr K made as a result.

I also don't think there are any other grounds on which it would be fair and reasonable to require Chase to refund the payment Mr K made here. Mr K has mentioned that he feels Chase should have carried out a chargeback on the payment he made, but this is only available for card payments which isn't how he made the payment here. He's also suggested Chase should have done more to warn and protect him when he made the payment. But, as I don't think the circumstances here meet the definition of a scam, I don't think anything I would have expected Chase to have done when Mr K made the payment would have uncovered any concern or stopped him making the payment.

I sympathise with the position Mr K has found himself in and I recognise he has been left with a car which he feels isn't road worthy and he cannot use. I'm also in no way saying he did anything wrong or that he doesn't have a legitimate grievance against the seller. But I can only look at Chase's responsibilities and, for the reasons I've explained above, I don't think it would be fair to hold Chase responsible for the payment he made here.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 February 2026.

Alan Millward  
**Ombudsman**