

The complaint

Mr B complains that J.P. Morgan Europe Limited, trading as Chase, won't refund the money he lost to an investment scam.

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 B was seeking an investment opportunity to support his family and help his retirement.

In August 2024, after seeing celebrity endorsements on television chat shows he came across a trading website and, after reviewing this, he decided to call the company.

Mr B was subsequently assigned a specialist cryptocurrency finance advisor named X. Mr B mainly conversed with X over the phone and X persuaded him he could help him gain a good income.

X also persuaded Mr B to download investment apps, a crypto account with Company C (a legitimate crypto company) and computer / device sharing software so he could assist him with his investments. Also, X showed Mr B realistic illustrations of his profits, and this encouraged Mr B to increase his investment.

Mr B made the following payments from his Chase account, which he opened in August 2024:

Payment Number	Date	Payment Method	Beneficiary	Amount
1	22/1/25	Faster Payment	Mr B's account with Company C	£10,000
2	3/2/25	Faster Payment	Mr B's account with Company C	£15,000

These payments went to an investment account with Company A and Mr B was led to believe the value of this investment had significant gains (growing to approximately USD240,000 by 10 February 2025).

On 13 February 2025, after the above two payments and prior to making further payments, Mr B spoke with Bank H (who transferred funds to his Chase account). Bank H say this wasn't an intervention and it appears to have been instigated by Mr B. A conversation took place about the investment being either a potential scam (Mr B's view) or a definite scam (Bank H's view / note).

On 19 February 2025 (a deadline Mr B was given to make a withdrawal from Company A), Mr B attempted to make the following 2 payments from his Chase account:

1. £33,100 to Company C.
2. £8,000 to Company C.

Having made two previous payments (those in the above table), Mr B was surprised that Chase didn't allow them. This is because Chase have a policy not to process crypto related

transactions. After the payment for £33,100, Mr B says he spoke to a Chase representative, and he says he '*finally accepted that over the previous 6 months I was being groomed*'.

Mr B had set up a new bank account with a regulated Electronic Money Institute (Firm R), so he could continue to pay Company A. Following the above two attempted payments he attempted a £1,000 payment to Firm R to see if this worked. But Chase intervened and, after the agent identified Mr B had downloaded device sharing software, the agent blocked the payment.

When Mr B realised he had been scammed, he complained to Chase claiming a £25,000 refund due to them incorrectly allowing his payments to go through.

Chase recognised they should've intervened, and their response was to offer Mr B a refund. But this was only for half of his loss, due to contributory negligence.

Mr B thinks this is unfair. Also, he is upset with Chase as he believes he did due diligence on Company C who he thinks they are referring to. So, he brought his complaint to our service.

Our investigator considered Chase's offer to be fair and reasonable but said Chase should pay interest on the 50% refund.

As Mr B and Chase both disagree with our investigator's view, this complaint has been passed to me to look at.

I issued a provisional decision on 1 November 2025, and this is what I said:

My provisional decision is the same outcome of that reached by our investigator. However, as I've clarified some matters, including our investigator's request for interest to be paid on the refund and contributory negligence, 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 15 November 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 B 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 also to partially uphold this complaint, and I'll explain why. *corrected*

I should first say that:

- I'm persuaded by Mr B's limited submissions and transactions that a scam has occurred here and I'm very sorry to hear that he has lost a significant amount of money to the cruel scammers.*
- My role is to independently evaluate the evidence provided by both parties. So, where evidence is incomplete, inconsistent or contradictory, as some of it is here, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.*
- I'm satisfied that the APP Scam Reimbursement Rules, introduced by the*

Payment Systems Regulator in October 2024, for customers who have fallen victim to an APP scam, don't apply to payments made to another account in their name.

- *Regarding efforts to recover Mr B's loss. As the payments to the scammer were to a crypto exchange and then onto the scammer, I don't think Chase could've been expected to recover the funds.*
- *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 B made the payments here, so they are considered authorised.

However, in accordance with the law, regulations and good industry practice, banks 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 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 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, Chase was required to look out for signs of vulnerability.

Chase don't dispute that they should've intervened on both payments. Although I think that such large amounts being high-risk payments to a crypto company should've automatically triggered a human intervention prior to

releasing the funds, Chase haven't explained why an intervention would've been necessary when it's clear, from their actions to cancel later payments and following website statement that they:

- 'Block any payment we identify as a crypto asset transaction. If you try to make a bank transfer or card payment to a crypto exchange, we'll decline it and no money will leave your account.'

I think it more likely than not that, for an unexplained reason, at the point of the two payments, Chase's system either wasn't yet set up to recognise the clearing bank's association with Company C or there was a temporary automation issue. As these type of issues can happen, I considered:

What would've likely happened if there was a human intervention on the two payments – and whether the scam would've been unravelled

I think the first question an agent would've asked Mr B was the reason for the payment.

Mr B hasn't been able to provide a copy of the dialogue he had with the scammer, so it isn't possible to know if there was any coaching, to prevent payments being blocked or circumvent bank restrictions.

Although I think there may have been some coaching, as Mr B appears to have opened another bank account to make payments to the scammer and when the Chase agent asked about this he said it was for savings and holidays, I think the coaching was probably light. This is because when the agent noticed he had downloaded computer sharing software he was prepared to explain what he was doing. Also, Mr B appears to have discussed his investment with another Chase agent and Bank H.

Even if Mr B was coached not to say they were crypto payments, I think he would've expected Chase to have known they were going to a crypto company. This appears to be the case as Chase later automatically blocked payments to Company C as they were related to crypto. So, for this reason, I think it more likely than not that a Chase agent would've been able to quickly identify that the payments were going to the clearing bank of Company C.

In a scenario where an agent could see the payments were crypto related at the start of an intervention, I think an agent would've immediately said they couldn't proceed with the payment and explained the reasons behind their crypto blocking policy – which is Chase not having the risk appetite due to payments being volatile, high risk, frequently used by fraudsters and Financial Conduct Authority (FCA) advice that customers risk losing all their money.

Although an agent might also signpost a customer to fraud and scam education, I think it unlikely that they would ask follow-up questions and probe for a fraud or a scam on a payment that they would be rejecting. I think this would've also happened with a second payment and I therefore think it unlikely the scam would've been unravelled.

Regarding Chase's final response letter comment (and their contributory negligence reason) that said:

- A. 'Our investigation had found that the company in which you were investing with had been on the FCA's warning list since May 2024'.

Mr B has interpreted this as saying:

- B. 'Their investigations had found that Company C has been on the 'FCA's warning

list' since May 2024.'

However, Chase's statement A doesn't refer to Company C. It refers to the company which Mr B was 'investing with'. Company C are a well-known legitimate crypto provider, and Mr B was investing in Company A, whom the FCA issued a warning on 31 April 2024. Although it's possible (in the absence of any explanation from Chase) that they made an error referring to a company with a similar name to Company C (who were on the FCA warning list in May 2024), I think they may well have been referring to Company A. However, even if it was an error, I think there was evidence of contributable negligence. This is detailed in the section below,

But, as mentioned above, I don't think Chase would've likely probed for investment details on intervention calls and completed a check on Company A.

I then considered causation:

Whether Chase blocking Mr B's payments, as per their policy, would've prevented his £25,000 loss

Mr B's argument is that blocking action by Chase would've stopped him making payments and prevented his £25,000 loss. However, I'm not persuaded that this would've been the case. I think it more likely than not that Mr B would've found another way of paying the scammer and the loss would've still occurred.

I say this for the following reasons:

- *Bank H (who transferred funds to Chase) have provided evidence (a file note) of a conversation they had with Mr B on 13 February 2025 in which they say they told him he was definitely being scammed and, although Mr B agreed, he seemed to be in denial. Although Mr B disputes he was told it was definitely a scam, the call appears to have been instigated by him as he was suspicious about paying a fee to release his profits, and I think it more likely than not that:
 - *He had concerns it was a scam.*
 - *He would've explained his interactions with X and investment with Company A.*
 - *The Bank H agent would've given educational advice about warnings, checks and proceeding.**
- *Following the above call with Bank H, six days later (on 19 February 2025) Mr B attempted to pay Company C £33,100 at 1123 and £8,000 at 1126. After Chase stopped one or both of these payments Mr B says he spoke to Chase agents and he says 'On the advice of Agent F of Chase Bank I deleted it (the computer / device sharing software) immediately after the scam was identified'.*

Although Mr B says Agent F helped identify the scam he also says 'It was only then that I agreed this was probably (but still not definitely)' a scam, which supports the evidence provided by Bank H that he was in denial.

- *As the £33,100 and £8,000 payments were blocked, at 1639 on 19 February 2025 Mr B made a payment to Firm R for £1,000 to see if this was a way to move funds to Company C in order to pay Company A. An intervention took place and on that call:
 - *Mr B initially gave an incorrect reason for the payment.*
 - *Mr B only gave the correct reason after the agent detected device sharing software on his mobile phone – which means it hadn't immediately been removed.*
 - *Despite being giving educational advice, told it was likely to be a scam**

and strongly recommended to remove the software, Mr B said 'I still don't genuinely believe it was a scam' which also supports the evidence provided by Bank H.

So, having considered the above, even if Chase blocked the two payments and / or intervened, I'm not persuaded that Mr B wouldn't have found another way of making payments (via Firm H and R) and that Chase are therefore responsible for his loss.

I then considered:

Contributory negligence

There's a general principle that consumers must take responsibility for their decisions. Although I genuinely sympathise with Mr B and recognise how convincing these cruel scammers are, I think he should've exercised more diligence. I say this because:

- For such large sums, he should've requested a contract or paperwork and looked to verify the financial advisor and Company A.*
- He should've seen such high returns, within a short period of time, as being too good to be true. And this should've prompted him to exercise greater diligence and seek professional advice.*
- He says he'd knew it was risky to download device sharing software onto his phone and that he'd seen red flags. Yet despite this, and the strong scam warnings the software company would've given him, he still gave an individual he hadn't verified control of his device and accounts.*
- Even after the two payments in question, he didn't take note of strong warnings given to him by his banks.*

Summary

So, I think Chase should've either immediately blocked the two payments, as per their policy, or put in place an intervention which I think would've resulted in the same blocking action. However, I think Mr B would've still made the £25,000 payment and unfortunately still suffered this loss as he had sufficient funds in his Bank H account (or could return the funds to them), wasn't prepared to accept strong warnings and, when faced with being unable to make further payments, he opened a Firm R account and give an alternative explanation to circumvent the blocks.

I therefore consider Chase's 50% offer to be both fair and reasonable. However, as Chase did make an error in not blocking or intervening (which I appreciate they accept), I'm in agreement with our investigator that they should also pay Mr B 8% interest from the dates of the payments to the date of settlement.

Regarding Mr B's upset at being accused of a lack of due diligence, when Chase offered a refund for not intervening, I don't think it was unreasonable of Chase to take contributory negligence into consideration when deciding on the refund amount on a complaint where blocking action may not have prevented his loss. And, as mentioned above, I think they may well have been referring to him not completing checks on Company A.

So, having considered all the above, I'm very sorry to disappoint Mr B but my provisional decision is to partially uphold this complaint against Chase and only ask them to pay interest.

My provisional decision

For the reasons mentioned above, my provisional decision is to partially uphold this complaint against J.P. Morgan Europe Limited, trading as Chase, and I require them to:

- *Pay simple interest of 8% from the date the two payments were made to the date of settlement.*

This is subject to any comments that either J.P. Morgan Europe Limited, trading as Chase or Mr B may wish to make.

These must be received by 15 November 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, Chase didn't respond, and Mr B said the following:

- *It highlights what he'd 'said all along, that if Chase had declined the £25,000 for the reasons that it did later then that would have been the red flag that is likely to have stopped the scam, as the subsequent declined amount of over £33,000 did'. And 'It is speculative as to whether or not I would have proceeded thereafter',*
- *He maintains 'that it would have stopped me or at the very least heightened my suspicions leading me to take advice (from Bank H) at a much earlier stage'.*
- *He understands the issue of contributory negligence, 'but from the investigations I have seen no cogent reason has been provided by Chase why it did not decline either the £10,000 or £15,000, nor why it has not explained the allegation that it was I who lacked due diligence, when it thought that I was investing in a company on the FCA warning list'.*
- *He is confused by 'the references in the final decision to Company C and Company A. The former (C) were not on the warning list. The latter, with whom Chase thought that I was investing (A) were on the list. At no point did Chase advise me of their allegation while I was investing and still haven't given the investigators any reason'.*

I considered Mr B's comments and, after requesting and receiving call recordings from Bank H, I looked at everything again.

The three calls, which Mr B instigated, with Bank H's fraud and scam team, confirmed that he only became suspicious about X and Company A being a scammer and scam company after he made the two payments.

In the first call, after listening to Mr B explaining the approach, his relationship with X, his supposed significant gains and X's requests, the Bank H agent told him she was 100% certain it was a scam. Also, I noted both Mr B and the agent were aware that Company A was likely on the FCA website with a warning that '*You should avoid dealing with this firm*'.

In response to the agent's scam certainty, Mr B said he was 95% sure he was going to log a scam, but he wanted to try and recover his losses and said, '*a little bit of me still thinks, what if it's true*'. The agent tried to persuade him to log the scam, not to make any further

payments and to stop talking to X. Mr B said he wanted to speak with X, but he wouldn't let him know he was suspicious about him.

Mr B made the second call to log a scam. Even though he hadn't yet spoken to X he said he thought he was a scammer. As Mr B needed to give Bank H more details of his payments he agreed to call them back.

In the third call, Mr B appeared to be having second thoughts about it being a scam. He said it was possibly a scam but it wasn't proven, and he asked questions about the impact of a digital signature. This was something X had required him to do together with a payment.

From listening to these three Bank H calls, I can fully understand why Bank H said Mr B seemed to be in denial. And, for the reasons detailed in my above provisional decision, I'm still not persuaded by Mr B's argument that any blocking action by Chase would've stopped him making the £25,000 payment to the scammer.

I don't in anyway blame Mr B as the cruel and clever scammers led him to believe that a significant profit was sitting in his account waiting for him to collect, and I recognise how difficult it must be to walk away from what would've been a life changing amount of money for him and his family.

Although I genuinely sympathise with Mr B's loss, I don't think it would be fair and reasonable to say Chase caused his loss and should provide him with a 100% refund when, on balance of probabilities, I think he would've more likely than not found an alternative way to make the two payments to the scammer. And even if another financial firm intervened to protect him from financial harm and gave him strong investment scam education and warnings, such as those given by Bank H, I still think he would've decided to go ahead.

Regarding Chase's lack of due diligence comment, that the company Mr B was investing in had been on the FCA's warning list, I think they may well have been referring to Company A. I appreciate there still remains a lack of clarity here and it could possibly be an error over Company C. But it is difficult to say this is an unreasonable statement, as Mr B knew about the importance of FCA approval and / or warnings. And then, with information it was likely a scam and the company name had an FCA warning, I think he still wanted to go ahead with further payments to get his profit.

So, having considered everything again, I'm very sorry to disappoint Mr B but, for the reasons explained above and in my provisional decision, my final decision remains the same - that I'm still only partially upholding this complaint due to the lack of an interest payment on the offer.

Putting things right

Although I consider Chase's 50% offer to be both fair and reasonable, as they did make an error in not blocking or intervening (which I appreciate they accept), I still think they should also pay Mr B 8% simple interest. So, to put things right, I require J.P. Morgan Europe Limited, trading as Chase, to:

- Pay Mr B simple interest of 8% from the date the two payments were made to the date of settlement*.

* The exact amount will need to be calculated by the business once there is an acceptance date.

My final decision

For the reasons mentioned above, I'm partially upholding this complaint against J.P. Morgan Europe Limited, trading as Chase, and my requirements are detailed in the above 'putting

things right' section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 January 2026.

Paul Douglas
Ombudsman