

The complaint

Ms C complains J.P. Morgan Europe Limited (trading as Chase) won't refund money she lost as part of a crypto investment scam.

Ms C is supported in making her complaint by a representative, but for ease, I'll refer to Ms C throughout this decision.

What happened

Ms C has explained that she was looking to invest and came across a trading company online (which I'll refer to here as 'T') being advertised by a prominent celebrity money advice expert.

Ms C has said that before deciding to invest, she checked 'T's website, as well as checking online reviews and believed she was dealing with a genuine company. Unfortunately, it seems the trading company Ms C was dealing with was a clone of a legitimate FCA registered company.

After making an initial small investment, Ms C was contacted by a broker from 'T' (the scammer) who promised her high rates of return. Ms C has said the scammer told her to download remote access software, open accounts with legitimate crypto exchanges, and to open an account with an EMI provider (which I'll refer to here as 'R').

Ms C transferred funds to her account with 'R' from her existing account with Chase to facilitate the scam payments. To fund the scam, Ms C sent funds to Chase from an existing account with another bank (which I'll refer to as Bank F). She also took out several loans which were paid into her account with Bank F.

Between 16 July and 8 August 2024 Ms C made several transfers (ranging from £5,000 to £25,500) totalling just over £190,000 from her Chase account to her account with 'R'. From there the funds were forwarded on to 'T' and unfortunately lost to the scam.

Chase asked Ms C for the purpose of the first transaction, to which she said paying someone she knew. Chase didn't flag any further payments as suspicious.

Ms C has explained that she could see from her account with 'T' that her profits were increasing, and that when she wanted to make withdrawals, the scammer said she needed to make further payments, which she funded by way of loans.

Ms C thought her profits would then be returned to her and the loans repaid, but when this didn't happen and the scammer stopped contact, she realised she'd been scammed.

Ms C reported the matter to Chase. In summary, she thought Chase hadn't done enough to protect her. Chase thought it had done nothing wrong given Ms C was transferring funds to an account in her own name ('R') which was in her control.

One of our Investigators considered the complaint but didn't uphold it. Firstly, she confirmed that Chase's fraud guarantee didn't apply here because Ms C wasn't sending money direct to the scammer.

She went on to explain why she thought Chase should've questioned Ms C about her payments, given their size and velocity. But she didn't the Banking Protocol was warranted, nor did she think any intervention from Chase would've likely prevented Ms C's loss. That

was because she'd misled 'R' when it had spoken to her, and provided inaccurate information to the loan companies, albeit because she was being guided by the scammer.

And that Ms C had been under the impression she was dealing with a legitimate FCA regulated trading company, all of which our Investigator thought had contributed to Chase being likely unable to uncover the scam.

Finally, our Investigator thought there was no reasonable prospect of Chase being able to recover the lost funds at the point it was alerted to the scam.

Nor did she think there were grounds for Chase to compensate Ms C for the trouble and upset caused. Ms C disagreed and asked for an Ombudsman's final decision.

In short, she agreed with our Investigator that Chase should've flagged some of the payments as suspicious, but she thought it was unfair that we'd made assumptions on how she'd have likely responded to Chase's warnings based on how she'd responded when questioned by 'R', particularly given she thought 'R's interventions were insufficient.

Nor did Ms C think it was fair to rely on the information she'd provided to loan companies given she'd have been unable to say the loan was for investment purposes. She also pointed out that one of the loan companies hadn't approved a loan, which she said demonstrated that the advice she was given by the scammer was insufficient to persuade the loan company that the loan was for legitimate purposes.

And so, Ms C said Chase should've also been able to identify inconsistencies in her testimony; and applied an appropriate level of scrutiny to uncover the scam.

Ms C also said there was no clear evidence that she'd been coached by the scammer on what to say during a bank's fraud intervention. And she maintained that she would've seen the FCA warning about the genuine trading company being cloned if Chase had advised her to check the FCA register.

Finally, Ms C referenced other cases upheld by the Financial Ombudsman in support of her 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 conclusion as our Investigator and for largely the same reasons. I'll explain why.

But first, I would like to say that if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Chase was responsible for Ms C's loss.

I should also point out that whilst being mindful of previous decisions made by the Financial Ombudsman, I review each case on its own merits. And although, for background and context, I've considered Ms C's complaints about Bank F and 'R', my findings here relate only to the actions of Chase.

As a starting point, Ms C doesn't dispute that the payments were made in line with her instructions to Chase. So, although she didn't intend the money to go to the scammer and believed that her money was going to a legitimate investment, under the PSRs and the terms of her account, Ms C is presumed liable for her loss in the first instance.

However, taking into account the regulatory rules and guidance including the Consumer Duty, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Chase to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

The question then arises whether Chase ought reasonably to have held such suspicions or concerns in relation to Ms C's payments (individually or collectively) — and if so, what might've been expected from a proportionate intervention.

So, taking all of this into account, I need to decide if Chase acted fairly and reasonably in its dealings with Ms C when she made the payments. Specifically, whether it should've done more than it did before processing the payments – and if it had, would that have made a difference. I also need to decide if Chase could've reasonably recovered the lost funds.

Should Chase have intervened in the payments?

When considering this point, I've kept in mind that banks, such as Chase, process high volumes of transactions each day, and that there's a balance for Chase to find between allowing customers to be able to use their accounts and questioning transactions to confirm they're legitimate.

I do however agree with our Investigator, and with Ms C, that arguably Chase should've questioned her about her payments given their value and velocity – despite the fact they were being made to an account in her own name with 'R'. But as I'll go on to explain, I'm not persuaded that *any* level of intervention by Chase in any of Ms C's scam payments would've likely prevented her loss.

Would intervention by Chase have prevented Ms C's loss?

For me to find it fair and reasonable that Chase should refund the payments to Ms C would require more than a finding that it should've done more to intervene when she made her payments. Crucially, I'd also need to find that but for that failure, the subsequent loss would've been avoided.

I've given this point very careful thought – and have addressed Ms C's concerns about the robustness of 'R's interactions with her in my decision relating to her complaint about 'R'. So, I don't think it's necessary to repeat that all here. But I will address Ms C's additional points below.

I appreciate that we can never know for certain how an interaction between Chase and Ms C about her payments would've played out. But I must make a finding, on balance, what I think is most likely to have happened. In doing that, I've taken consideration of what happened when Ms C had several interactions with 'R' – who provided her with crypto investment warnings, both verbally and in writing, that I think were proportionate and relevant to Ms C's situation.

And yet none of those warnings resonated with Ms C – and so I can't reasonably conclude that a similar level of scrutiny from Chase would've likely resonated with Ms C and broken the spell she was under.

Ms C has said that she wasn't coached by the scammer about how to respond to a bank's intervention, but I don't agree. Whilst the scammer doesn't pre-empt such interventions by providing Ms C with advice on what to say in the event she's questioned by her bank, Ms C seeks advice from the scammer on how to respond when she is questioned by 'R' and asked for information from a crypto exchange.

And so, I'd argue that Ms C was being heavily influenced by the scammer in how to respond to questions about her payments to allow them to be processed.

In relation to the loan applications, I can appreciate the point Ms C is making about the options available to her when saying what the funds were for. But aside from this, Ms C's intention was ultimately to deceive the true reason for the funding. And the fact she applied for numerous loans, on the advice of the scammer, suggests to me a pattern of behaviour whereby Ms C was determined to get the funds together to make the necessary payments towards the scam. Because of that, I'm not persuaded, in the circumstances of this case, that she'd have been honest about the true circumstances if questioned by Chase.

Ms C has that the fact she'd been unable to provide a convincing story to a loan company as to why the loan was needed shows she'd have likewise been unable to persuade Chase that the payments were for legitimate purposes. I can understand the point Ms C is making here, but in taking account of all the surrounding circumstances, I'm not persuaded that a loan being refused sufficiently evidences that Chase could've uncovered the scam and prevented Ms C's loss. I'll explain why.

I've not got access to the phone call between Ms C and the loan company, and so I can't say for certain what it asked Ms C and how she responded. But the loan company has told us that Ms C was unable to demonstrate that the loan funds were to be used for the purpose she stated (home improvements). It said she was unable to provide details of what the home improvements were and was evasive when questioned around potential scams.

This, in my opinion, is a different scenario to when Mr C was questioned by 'R' – and how I believe conversations with Chase would've likely played out. Ms C was able to provide clear and consistent responses to 'R', she was receptive to the questions she was asked and engaged in the process.

It was those responses (albeit Ms C wasn't honest about the true situation she'd found herself in) that satisfied 'R', and I maintain would've likely also satisfied Chase, that Ms C's payments were for a legitimate purpose.

In terms of the FCA warning about clone companies, I accept there was a warning which predated Ms C's payments. But from looking at the scam chat, I'm not persuaded, on balance, that Ms C would've likely been concerned enough to make those checks if advised to do so by Chase. Her first point of reference for any query was always the scammer – where she sought advice almost daily on how to move things along. This is despite her having regular contact from 'R' (three phone calls), when she was told on more than one occasion of the risks of a third party being involved and of not providing accurate information when questioned by her bank.

And because of the apparent trust she had in the scammer, and her consistent reliance on the scammer for reassurance and guidance, even if Ms C *had* seen the FCA clone warning, I think it's likely she'd have sought reassurance from the scammer that 'T' was legitimate – particularly because she's said she was given "*access to a sophisticated and professional portal*" which showed real time trades in line with what the scammer was saying and she could see her deposits.

All this leads me to conclude that it's more likely than not, on balance, that Ms C would've proceeded with her payments – even if Chase had gone further in alerting her to the risks involved and the checks she should make. Ms C was clearly completely under the spell of the scammer – at no time questioning the advice she'd been given, despite clear warnings from 'R' about the prevalence of coaching being used as part of investment scams.

Taking all this into account, I'm not persuaded, in the circumstances of this complaint, that any proportionate intervention from Chase would've likely prevented Ms C's loss on any of her payments.

Did Chase do enough to try and recover the lost funds?

The payments were sent to an account in Ms C's own name (R') and in her control, and then onto 'T'. So, no funds remained, but if they had, they would've been available for Ms C to access. I can't therefore conclude that Chase had any reasonable prospect of recovering the lost funds.

I have a great deal of sympathy for Ms C and the loss she's suffered, as I appreciate it is a significant sum of money. But it would only be fair for me to direct Chase to refund her loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Chase has acted fairly and so I'm not going to tell it to do anything further.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision **before 20 February 2026**.

Anna Jackson
Ombudsman