

The complaint

Ms B complains that J.P. Morgan Europe Limited trading as Chase won't refund the money she lost when she fell victim to a scam.

What happened

Around May 2024, Ms B came across a social media advert for an investment company, "T". Unfortunately, it appears this was a scam that may have been impersonating a genuine trading company. Ms B explains she was told to create an account with T – as well as setting up a cryptocurrency wallet and an account with Chase. They also directed her to download and use remote access software.

Two loans (totalling £25,000) were taken out and paid into another bank account Ms B holds, before being paid into her newly set up Chase account. Ms B then sent £15,000 to a recipient "S" on 9 May 2024 – followed by a further £20,000 on 18 May 2024 then £11,800 on 20 May 2024.

Ms B subsequently realised she had been scammed and reported this to Chase. It managed to recover £4.85 from S, which I understand it returned. It also refunded 50% of the final two payments due to not flagging them for further checks. But it said it had spoken to Ms B about the first payment and she had claimed the funds were for renovations she was completing, rather than divulging she was paying towards an investment – so it didn't accept liability for that payment.

Unhappy with this response, Ms B referred the matter to our service. Our investigator didn't uphold it. He thought Ms B's response to both Chase, and her other bank, suggested it was unlikely it could have prevented her loss – so didn't think it needed to refund anything further.

Ms B appealed the investigator's outcome. In summary she said the account had been opened recently and the account activity was strange. And it's unfair that our outcome is in favour of the bank rather than looking at the victim's side.

I then issued my provisional decision explaining why I wasn't minded to uphold this complaint. In addition to the points covered by our investigator, I explained I had also considered what Chase's account terms say about when it will refund people tricked into sending money to a fraudster – but wasn't persuaded Ms B was due further reimbursement under these terms.

I invited both parties to provide any further comments or evidence they wanted me to consider before I made my final decision. Chase has confirmed it has received my provisional decision but hasn't provided anything further. A representative for Ms B has responded that it's disappointing she won't be refunded further as she unintentionally fell victim to a scam. They feel more could have been done to support her, and that our service should see the victim's side more.

As the deadline has now passed for any further responses to be provided, I'm proceeding to issue 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.

Having done so, I've decided Chase doesn't need to do anything further to resolve this complaint – largely for the same reasons I gave in my provisional decision, as set out below. However I do also want to reassure Ms B I have carefully considered what actions Chase took to protect her. But for the reasons I've covered below, I'm not persuaded it should have prevented her loss.

I do also accept that scammers use sophisticated tactics to trick their victims, and that there is a power imbalance here. Again, this is something I have factored into my consideration. I've addressed below how I've weighed up what fault I think Ms B fairly holds in the circumstances – taking into account the clear deception by the scammers.

Ms B authorised the payments she is now disputing. In line with the Payment Services Regulations 2017, firms are expected to process authorised payment instructions without undue delay. That means the starting position is Ms B is liable for these payments.

However, I'm mindful Ms B made these payments due to falling victim to a scam. In line with longstanding regulatory expectations and requirements and what I consider to be good industry practice at the time, I'd expect Chase to have been on the lookout for indications of fraud risks. If it failed to respond proportionately to such a risk, and doing so would have prevented Ms B from incurring a fraudulent loss, it may fairly hold some liability for this.

As Ms B has highlighted, I agree there were indications from the account operation that she might be at risk of fraud. But Chase did identify a fraud risk in relation to the very first scam payment. It spoke to Ms B about what she was doing – to gauge and warn her of the apparent scam risk.

Having listened to that call, I've found Ms B told Chase she was paying for renovation work. Chase asked her for quite a lot of detail about what she was doing – and she was able to provide detailed answers. She claimed she was using a company that her neighbour had used previously, who specialised in woodwork, and had completed the work she was expecting.

Chase explained the importance of answering its questions truthfully, which Ms B confirmed she was. It also asked if anyone had directed her to download an app allowing remote screensharing, which she confirmed she hadn't. Whereas she's told us the scammers did ask her to do this – and that the software was utilised during the scam. At several points Chase reiterated that its questions were geared towards checking the scam risk – and Ms B was clear throughout that she was satisfied the payment was legitimate and that she wanted to proceed.

Based on what was apparent to Chase, I don't think it had cause to suspect the payment was actually at risk of being lost to an investment scam. So, I don't think it missed a reasonable opportunity to warn her about this and/or dissuade her from proceeding. The way she responded to Chase's questioning and her persistence about paying means I consider it unlikely Chase would have succeeded in uncovering the scam even if it had questioned her further about the subsequent payments.

This is also supported by the intervention call, and chat, with her other bank – made on an attempted scam payment being sent via her cryptocurrency wallet. During this call she said she had been investing for several months. She didn't name the company (T) who she's told us she understood she was ultimately investing with, only naming the wallet she was paying directly – claiming she was “acting alone” in making her investment, and no-one was advising or directing her on what to do.

Given when the scam was reported, I don't consider it likely Chase could have recovered any further funds; it's common in scams like this for the funds to be moved on quickly to avoid being recalled.

I therefore don't think Chase is at fault for not preventing or recovering more of Ms B's loss. But I've also considered its account terms and conditions – which explain it will generally refund payments in the following circumstances:

“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

If you're at fault in some way

If, taking everything into account when the payment was made, we find you should've known you were being tricked into sending money you won't get a refund”

I've asked Ms B whether the payments to S were loaded to her genuine cryptocurrency wallet before being sent on to the scam, or whether they were loaded straight to the scam platform. This is relevant as, if S was a peer-to-peer cryptocurrency seller who completed a genuine sale and loaded the funds to Ms B's wallet, I don't think the transactions would fall under Chase's definition of a payment to a fraudster – so no refund would be due.

Ms B has said she thinks the payments went directly to the scam platform. I am mindful she can't get access to the cryptocurrency wallet she set up to show us whether the funds were actually loaded there. But I accept her explanation and have therefore considered whether she is due a further refund under the terms of the account.

This comes down to Chase's caveat for when it won't refund those who are tricked into sending money to a fraudster. Having weighed everything up, I do think Ms B was on notice of several warning signs that the company she was dealing with weren't legitimate – which leads me to conclude it would be fair for Chase to decline a (full) refund of the payments:

- Ms B says she thought the trading company she was dealing with was FCA-regulated. But looking at the scam chats she has provided, I've found the FCA-register entry she was sent was for the firm who provided the cryptocurrency wallet she set up in connection with the scam – not the alleged financial advisers she says she thought she was dealing with. Based on the records she has been able to provide of her contact with the scammers, I haven't seen much to verify why she considered them to be a genuine, regulated firm.

- In any event, I can also see the scammers were guiding her on how to answer any questions from her bank about what she was doing, including prompting her to give false explanations. I can also see there was discussion about applying for the loans, and to say one was for home improvements when it was actually intended for the investment opportunity.
- I do think Ms B should have questioned why a legitimate, regulated firm would tell an investor to mislead their bank about what they were doing – and tell her to mislead a lender about the purpose of a loan (as I think she should reasonably have known it was unlikely to be granted if the lender knew it was for investing). I therefore think this was an indication the company wasn't genuine – yet Ms B proceeded to follow their advice and make further payments.
- I've also found Ms B was warned about some features relevant to the scam she fell victim to, such as the use of remote access/screensharing software by scammers, yet she opted to proceed. She also denied this to the firms (including Chase) who asked about this – hampering their ability to protect her from the scam.

Despite this, Chase has refunded 50% of the payments it didn't directly intervene on. I appreciate this will be disappointing for Ms B, but I'm not persuaded it ought to refund more in line with the account terms.

In making my decision, I have considered the impact on Ms B, and I do appreciate she was the victim here. But my role is to impartially look at Chase's role in what happened. It was ultimately the cruel actions of the scammers that caused her loss. Having carefully considered all the circumstances, I don't think it would be fair to direct Chase to refund more of Ms B's loss.

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 B to accept or reject my decision before 14 January 2026.

Rachel Loughlin
Ombudsman