

### The complaint

Mrs M complains that J.P. Morgan Europe Limited trading as Chase ('Chase') hasn't reimbursed all of the money she's lost to a scam.

### What happened

Mrs M lost money to an investment she made in 2020.

In 2024, Mrs M fell victim to a recovery scam by a company I'll refer to as 'O'. O said that the money lost to the investment and a previous scam could be recovered for a fee.

Mrs M has confirmed, via her representative, that the following faster payments were made to the recovery scam and are the subject of her dispute:

Payment number	Date of payment	Payment value	Payment destination	Amount Chase has recovered/refunded
1	16 January 2024	£1,250	Payee 1	£625
2	19 January 2024	£1,950	Payee 2	£975
3	22 January 2024	£1,495	Payee 1	
4	22 January 2024	£2,000	Payee 2	
5	23 January 2024	£1,000	Payee 1	
6	25 January 2024	£1,495	Payee 1	
7	26 January 2024	£1,490	Payee 1	
8	29 January 2024	£1,485	Payee 1	
9	30 January 2024	£1,487	Payee 1	
10	31 January 2024	£1,500	Payee 3	£603.19

11	1 February 2024	£1,900	Payee 3	£750
12	2 February 2024	£1,950	Payee 3	£950
13	3 February 2024	£1,970	Payee 3	£975
14	5 February 2024	£1,985	Payee 3	
15	6 February 2024	£1,500	Payee 3	
16	12 February 2024	£950	Payee 4	
17	13 February 2024	£1,900	Payee 3	
18	13 February 2024	£1,500	Payee 4	£750
19	14 February 2024	£1,950	Payee 3	
20	14 February 2024	£1,495	Payee 4	£747.50
21	15 February 2024	£1,985	Payee 3	
22	15 February 2024	£1,497	Payee 4	£748.50
23	16 February 2024	£1,995	Payee 3	
24	16 February 2024	£1,493	Payee 4	£746.71

Our investigator has considered this complaint and reached the conclusion that Chase is not responsible for reimbursing the remainder of Mrs M's financial loss to the recovery scam. Mrs M does not agree, so her complaint has now been passed to me to decide.

### **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 have reached the same conclusions as our investigator, for similar reasons.

It's not in dispute that Mrs M has fallen victim to a scam.

It's common ground that Mrs M 'authorised' the disputed payments. So, even though she was the victim of a scam, the payments were 'authorised' under the Payment Services Regulations. Chase had an obligation to follow Mrs M's payment instructions, and Mrs M is presumed liable for her loss in the first instance. But that's not the end of the story.

Taking into account the law, regulator's rules and guidance, relevant codes of practice, and what I consider to have been good industry practice at the time, I think that Chase should:

- Have been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering and the financing of terrorism.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms 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 its customers from the possibility of financial harm.

Chase's fraud detection systems were not triggered by the disputed payments.

A bank needs to strike a balance between adequately protecting its customers and unduly delaying payments and inconveniencing its customers. With that in mind and taking account of what Chase knew about Mrs M and the disputed payments at the relevant time, I'm not persuaded that it ought to have identified a fraud risk, or that it ought to have taken any action in relation to the payments. I acknowledge that Mrs M's account usage was low in some of the months leading up to the scam, but she began to transact quite regularly from early December 2023 – so regular usage wasn't out of the ordinary by the time she began making the disputed payments in mid-January 2024. The disputed payments were instructed over the course of approximately one month, and they were all relatively low value. I don't consider that there were other concerning factors present, for example, the payments weren't made in quick succession over a short period; they didn't rapidly increase in value; and there's nothing about the payment destinations that I think ought to have been a 'red flag'.

Even if it could be argued that Chase ought to have identified a fraud risk and intervened, I don't think it would've made a difference to the outcome here. I say this because I've seen that Mrs M's main bank account provider intervened with the relevant scam activity and was told that the payment purpose was repaying longstanding friends. I think it's likely that Chase would've been offered the same cover story if it had intervened. And, given what Chase knew about the disputed payments, I think the bank would've been reasonably satisfied that Mrs M wasn't at risk of financial harm and it would've let the payments go. If Chase had intervened, I'm not persuaded that it could have uncovered what was truly happening based on the information that would likely have been available to it and brought the scam to a halt.

I'm really sorry to hear that Mrs M has lost a lot of money to a cruel and callous scam. I have a great deal of sympathy for her. But I don't consider that it would be fair or reasonable to require Chase to reimburse a financial loss that it couldn't reasonably have prevented. Chase has reimbursed some of Mrs M's financial loss of its own volition, and I will not be directing it to reimburse her further.

**My final decision**

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 5 March 2026.

Kyley Hanson  
**Ombudsman**