

The complaint

Mr O complains that J.P. Morgan Europe Limited trading as Chase (“Chase”) failed to refund transactions he didn’t recognise and experienced poor customer service.

What happened

Mr O had been travelling abroad and was reviewing his spending when he noticed a number of unrecognised transactions had left his Chase account. Mr O said he’d been denied access to his account by Chase without being informed. He reported the unrecognised transactions to Chase.

Mr O confirmed he hadn’t lost his card, nor had he shared his account details with anyone else to use. Mr O said he mainly used the Apple Pay feature, rather than the physical card. Chase directed Mr O to Apple who later said there was some “*suspicious activity*” but didn’t explain further.

Chase investigated the matter and concluded that the payments were made by Mr O. Chase declined to refund the payments. Mr O raised a complaint about Chase’s handling of his dispute.

Chase looked at how they’d dealt with the matter and accepted they’d let Mr O down when they caused him to wait for a lengthy period of time. Chase didn’t offer any compensation for the lapse in customer service and confirmed they were declining to make a refund.

Mr O remained unhappy with the handling of his issues and brought his complaint to the Financial Ombudsman Service for an independent review. An investigator was assigned to look into what had happened and asked both parties for information about the events.

Mr O explained that he was unaware at the time of these payments being made from his account and denied making them. He thought Chase had failed to follow various regulatory obligations by not refunding and treating him unfairly.

Mr O confirmed he hadn’t given his Chase account details to anyone else, nor had he lost his phone. Mr O’s phone was also protected by security features which he also hadn’t revealed to anyone else.

Chase provided details of the payments and their investigation. They believed their evidence showed that:

- The first disputed transaction was approved by Mr O within the Chase app on his phone.
- Mr O had moved funds sufficient to cover this payment from one of his other Chase accounts.
- A second payment a few days later was declined due to insufficient funds. Mr O logged into his account and moved sufficient funds to cover this transaction which

was reprocessed successfully.

- A payment to a different merchant was preceded by funds being moved by Mr O between his account to provide sufficient funds to meet the payment (£873 was moved for a £872.99 transaction). This used Apple Pay which had been previously set up by Mr O and used for other undisputed transactions.
- The account was only blocked for a short period to protect it once Mr O had reported it.
- Chase accepted they'd given Mr O incorrect information, including telling him he'd be receiving a refund and failing to properly explain their rationale to him.
- Chase later offered to pay Mr O £100 for the customer service failings which Mr O declined.

The investigator considered both parties evidence and concluded that Chase acted fairly when they declined to offer a refund, commenting that there's evidence showing Mr O carried out an additional security step (3DS), including biometric authentication. Also, that Mr O moved funds between his accounts to ensure it had sufficient funds to meet the various transactions he later disputed.

The investigator didn't think that Apple's comments were sufficient to show Mr O wasn't responsible for the final disputed transaction and overall believed Mr O was liable. The investigator didn't think that Chase needed to offer any compensation for the level of customer service.

Mr O disagreed with the investigator's outcome, believing that transactions had been made without the 3DS step. He commented that there was sufficient evidence to show he'd been the victim of fraud and that transferring money between accounts is a common activity and it's speculative to suggest this was connected to the unauthorised transactions.

As no agreement could be reached, the complaint has now been passed to me for a decision. As part of my own investigation, I asked Chase to confirm details regarding the authentication data and whether they were still offering to pay Mr O £100 for the customer service issues. Chase answered my query and confirmed the offer was still open.

I issued my provisional findings on the merits of Mr O's complaint on 5 January 2026. In my provisional findings, I explained why I intended to partly uphold Mr O's complaint and offered both sides the opportunity to submit further evidence or arguments in response. An extract of that decision is set out below and forms part of this 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 now done so, I'm intending to uphold, in part, Mr O's complaint. I intend to uphold the customer service complaint, but not the disputed transaction element of Mr O's complaint. I'll explain why.

My focus is on what I think the key issues are as our rules allow me to do this and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I'm satisfied that I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Mr O has raised various matters, including regulatory breaches he believes Chase are

responsible for. I don't intend to itemise those as I don't believe it's necessary to explain my decision. But, I'd like to stress that they've formed part of my considerations in respect of Mr O's complaint.

The relevant law surrounding authorisations are the Payment Service Regulations 2017. The basic position is that Chase can hold Mr O liable for the disputed payments if the evidence suggests that it's more likely than not that he made them or authorised them, but Chase cannot say that the use of Apple Pay, online payment details or internet banking conclusively proves that the payments were authorised.

Unless Chase can show that consent has been given, it has no authority to make the payment or to debit Mr O's account and any such transaction must be regarded as unauthorised. To start with, I've seen the bank's technical evidence for the disputed transactions. It shows that the transactions were authenticated using the payment tools issued to Mr O.

It's not my role to say exactly what happened, but to decide whether Chase can reasonably hold Mr O liable for these transactions or not. In doing so, I'll be considering what is most likely on a balance of probabilities.

Mr O's position is that after returning from a trip, he noticed a series of transactions he didn't recognise. He didn't report these until about a month after the event despite using his app at the time of these transactions. Given the use of the app at the time of the disputed transactions, I was surprised that Mr O delayed notifying Chase as long as he did.

Given Mr O's evidence that he hadn't either lost his phone or given access to it to anyone else, it's difficult to see how anyone else was responsible for those payments, particularly when Chase shows biometrics were used to access to their app, which was unlikely to be anyone else but Mr O. I think the funds transfer is also of relevance here. I noted Mr O's comments about moving funds – but it's evident here that he was managing the balance in his main spending account by logging into the app and transferring funds to ensure he had enough money available. There are a number of much larger payments that coincide with the disputed transactions which, on the face of it, appear as though Mr O was transferring funds so he had enough to settle the payments he was due to make.

Along with the remaining balance left in the account and the extended period of time these payments took place (around 12 days or so), it's not supportive to Mr O's argument that someone other than himself was responsible. Mr O's account had other funds which could have easily been utilised if it was a thief. That they weren't further supports the case that Mr O was likely responsible. It's unlikely a thief would wait for so long to make transactions and then leave substantial funds in the account untouched. That's because they wouldn't know when the losses would be noticed and access shut down.

Mr O also notified the local police, Apple and at least one of the merchants. In respect of the Apple comments, I acknowledge they said there was suspicious activity, but on its own that doesn't give me sufficient grounds to link the final payment made via Apple Pay to anyone other than Mr O. The reason I say that is because Mr O moved almost the exact amount from one of his other accounts prior to the transaction that would've otherwise failed due to insufficient funds. Without stronger evidence to the contrary, I don't think it's plausible to believe that an unidentified third party was responsible here.

Given that Mr O was either using his app on his phone or Apple Pay to make the disputed transactions and they were protected by biometric security, it's unlikely that others were able to do this without his knowledge. While I'm sure Mr O will disagree with me, the evidence that I've considered currently leads me to the conclusion that, on the balance of probabilities,

it was more likely than not that he authorised or allowed his Chase details to be used to make the payments. So, taking everything into account, I intend to conclude that I think it is fair and reasonable for Chase to hold Mr O responsible for these transactions.

In respect of Mr O's comments regarding 3DS authentication steps, I accept that not all of the disputed transactions required them. But, the relevance of them here is that the first disputed transaction did require it and Chase have shown that Mr O's app was accessed in order to confirm the payment. Following this, the payment information shows that there was no further requirement to take this additional step – which is not unusual when 3DS has already been confirmed on an earlier payment. So, the lack of 3DS steps for any later payments aren't relevant to the issue of authorisation.

Customer Service

I don't think there's any argument that Mr O's experience with Chase's customer service representatives was a mixed bag. Some staff were very helpful and some not so, providing conflicting and wrong information. Chase accepts this and latterly offered £100 to recognise this. If Chase hadn't made this offer, it would've formed part of my recommendations here that they make a payment for the level of service experienced by Mr O. As they have, I won't be asking them to do anything more here.

My provisional decision

In summary, I'm intending to uphold this complaint in respect of the customer service experience, but not the substantive disputed transaction complaint."

I invited Mr O and Chase to give me any more evidence and information they wanted me to consider before issuing my final decision. Chase didn't respond and Mr O disagreed with the amount of compensation I was recommending. He argued that the impact of his account lockout, the conflicting and incorrect information he was given and the scale of the failings meant that Chase should be required to pay a higher amount of compensation.

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 now done so, and as neither party had anything further to add that would change my provisional recommendation, I see no reason to reach a different conclusion. So, this final decision confirms the findings set out in my provisional decision.

I would like to respond to Mr O's comments to explain my rationale further. It's noted that Mr O hasn't made an argument concerning the issue of authorisation, only the way that Chase dealt with him.

Mr O argues that the account block caused him "...*significant distress and practical hardship...*". My understanding of the situation here is that the account was blocked for about a day or so. Given the very short amount of time Mr O was prevented from accessing his account, I'm not persuaded based on the available evidence that Chase's actions warrant a further payment in respect of this point.

Mr O argued that "*Chase has admitted to giving me wrong information, including promising a refund that never arrived. This did not just cause a "lengthy wait"; it led to weeks of financial uncertainty and prevented me from making informed decisions about my finances during a*

vulnerable time” He went on to say that Chase’s errors represented a “*systemic and prolonged failure in support rather than a minor administrative lapse*”.

Chase accepted their shortcomings, including giving Mr O the impression he was due a temporary refund. This and the other service issues have already been taken into account. I don’t think it’s fair to class Chase’s errors as a “*systematic and prolonged failure*”. So, given there’s no evidence to suggest Mr O lost out financially as a result of Chase’s actions, and they dealt with the complaint in about two weeks, I’m not persuaded here that it warrants further payments.

My final decision

My final decision is that I uphold this complaint, in part against J.P. Morgan Europe Limited trading as Chase and in order to settle it, they’re now required to:

- Pay Mr O £100 if they haven’t already done so.

For the avoidance of any doubt, I do not uphold the substantive complaint in respect of the disputed transactions.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr O to accept or reject my decision before 24 February 2026.

David Perry
Ombudsman