

## **The complaint**

Mr C is unhappy that J.P.Morgan Europe Limited trading as Chase (“Chase”) won’t refund all the money he lost as a result of a scam.

## **What happened**

I’m not going to cover all the points raised in detail. The view of 16 January 2026 covered the detailed timeline of the transactions and the details of Mr C’s testimony. But briefly in December 2024, Mr C came across an investment opportunity advertised on social media. He completed an online form and was contacted by someone who he believed to be from the investment company (I will refer to as R in this decision). Mr C had heard of R and it purported to be offering a fixed rate bond with a financial institution I will refer to as C in this decision.

After a bit more research, on 11 December 2024, Mr C transferred £100,000 to a payee I will refer to as E in this decision. Mr C was told E was acting as a clearing house. Mr C received a bond certificate confirming the investment and received two returns on 6 January 2025 of £916.67 each. The returns persuaded him to invest further and so, on 13 January 2025, Mr C attempted to transfer a further £100,000. However, Chase stopped the payment and following a conversation with Mr C, informed him that this was likely to be a scam and so Mr C cancelled the payment.

Mr C also confirmed he received a further credit from the scam company on 28 January 2025 of £500.

Mr C raised a claim with Chase, and it made the decision to refund Mr C £85,000 - the maximum it is obliged to pay under the Faster Payment Scheme Reimbursement Rules (“Reimbursement Rules”). In its submissions to this service, it acknowledged it missed the opportunity to intervene on Mr C’s initial payment of £100,000. But it said that the sum exceeded the maximum reimbursable amount in its terms and conditions and the mandatory reimbursement requirements set by the Payment Systems Regulator. Additionally, it felt that the consumer did not complete any due diligence before investing.

Our investigator recommended Chase pay Mr C his remaining loss. She explained that Chase has wider obligations. And given the initial sum invested of £100,000, Chase should have intervened at this point, and if it had done so, the scam would have come to light then and Mr C would not have suffered any loss.

Chase said it had provided the maximum reimbursement permitted by the Rules. It stated it acted in accordance with its policies, procedures and processes and found no failings on its part.

As the complaint could not be resolved informally, it has been passed to me for a 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.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Chase has acted fairly under the Reimbursement Rules. It has reimbursed the maximum amount. I need to decide whether it should fairly reimburse Mr C outside of the Reimbursement Rules.

The Reimbursement Rules impose a non-fault regime. That means they do not require a Payment Service Provider (PSP) to have made an error in order for the scam victim to be reimbursed.

Our investigator reasoned that Chase was at fault for failing to adequately warn Mr C about the risk of making the payment of £100,000 on 11 December 2024.

It seems, from its submissions, that Chase considers the intention of the Reimbursement Rules is to cap fault, as well as non-fault, claims. I can see under Chase's own terms and conditions it has a section (10) which refers to 'Refunds and help'. This section appears to be in line with the Reimbursement Rules. But it is not correct to suggest, as Chase appears to do, that the PSR's mandatory reimbursement scheme represents the only refund requirements so far as fraud and scam reimbursement is concerned.

The Payment Systems Regulator has reminded PSPs that fraud victims have a right to make complaints and refer them to the Financial Ombudsman Service that exists separately from the Reimbursement Rules and that APP scam victims will still be able to bring complaints where they believe that the conduct of a firm has caused their loss (in addition to any non-fault based claim under the Reimbursement Rules).

Specifically, within its policy statement PS23/4 under 7.18, the Payment Systems Regulator said:

*The reimbursement rules and their award limit differ from the rules which govern complaints under the Financial Ombudsman Service's dispute resolution rules (DISP). PSPs should therefore inform victims of APP scams that, in addition to their right to seek reimbursement under the reimbursement rules, they have the right to bring complaints against sending and receiving PSPs if they are dissatisfied with their conduct and consider this has caused their loss. Such complaints may ultimately be referred to the Financial Ombudsman Service.*

It therefore follows that Chase could be responsible for Mr C's remaining loss. I need to decide whether it is.

In broad terms, the starting position at law is that a bank such as Chase is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the PSRs 2017 and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Chase should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;

- 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. 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, or provided additional warnings, before processing a payment;

Chase acknowledged it missed the opportunity to intervene – so I won't go into detail here but for completeness I agree. I've reviewed Mr C's bank statement for the six months prior to December 2024. The £100,000 payment was by far the largest external transfer that was made and it was made to a new payee – so the activity was unusual for the account and warranted a conversation about the purpose of the payment.

It's clear the scam did come to light when Chase spoke to Mr C following the next attempted payment a few weeks later in January 2025. Mr C had intended to make a further payment, but the call put a stop to the scam. I don't think there was a material difference in the circumstances between 11 December 2024 and when Chase spoke to Mr C in January 2025. So, it seems likely that an earlier call would have had the same impact – thereby preventing all of Mr C's loss.

I've thought about whether Mr C should bear any responsibility for what happened. In doing so I've taken into account what the law says about contributory negligence, as well as what's fair and reasonable in the circumstances of this case.

Chase says that Mr C didn't carry out any due diligence, but I don't agree. I appreciate this was an advert on a social media site, with the company itself (R) a clone of a well-known financial institution. Mr C says he looked up the individuals he was in contact with and they appeared on a well-known job networking site as legitimate individuals working for R. Mr C says he also looked up the payee - E - on the internet, and this showed as a charging house registered with the Financial Conduct Authority. The bond itself appears to also have been a clone of a similar genuine investment available at the time. And Mr C received genuine looking documentation from R.

With the benefit of hindsight, there may have been some 'red flags' (for example there was an FCA warning about the cloned company at the time Mr C made the payment) there was nothing from the information Mr C had gathered which reasonably ought to have alerted him that this was a scam. Overall, I find this was a sophisticated scam and I don't think Mr C's actions fell below the standard expected of a reasonable person.

Having considered the matter carefully, I don't think that there should be any deduction from the remaining amount reimbursed and this means Chase should reimburse Mr C's outstanding loss.

### **Putting things right**

In order to put things right for Mr C, I instruct J.P.Morgan Europe Limited trading as Chase to:

Refund the outstanding loss from the scam less any credits Mr C received from the fake investment (so £15,000 less returns of £2,333.33 = £12,666.67)

It should also pay interest at 8% simple per year on that amount to compensate Mr C for being without the money.

**My final decision**

My final decision is that I uphold this complaint and I require J.P.Morgan Europe Limited trading as Chase to put things right for Mr C as set out above.

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

Kathryn Milne  
**Ombudsman**