

## The complaint

Mrs E complains that J.P. Morgan Europe Limited trading as Chase ('Chase') won't refund the money she lost after falling victim to a scam.

## What happened

In May 2023 Mrs E found an investment online that involved cryptocurrency trading using an AI algorithm. Mrs E made payments from her Chase account and saw her investment increase. Mrs E realised it was a scam after she was asked to pay fees to release her investment and was unable to withdraw her funds.

These are the payments Mrs E made from her Chase account. The payments to C and M were made to accounts held in Mrs E's name which were used to purchase cryptocurrency.

| Date      | Pmt | Details of transaction                   | Amount            |
|-----------|-----|--|-------------------|
| 8.6.2023  | 1   | Payment to an account held with C        | £20,000           |
| 9.6.2023  | 2   | Payment to an account held with C        | £25,000           |
| 12.6.2023 | 3   | Payment to an account held with C        | £40,000           |
| 14.6.2023 | 4   | Payment to an account held with C        | £50,000           |
| 15.6.2023 | 5   | Payment to an account held with C        | £50,000           |
| 16.6.2023 |     | <i>Credit with the reference "Chase"</i> | <i>£50,000 cr</i> |
| 19.6.2023 | 6   | Payment to an account held with M        | £50,000           |
| 21.6.2023 | 7   | Payment to an account held with M        | £50,000           |
| 22.6.2023 | 8   | Payment to an account held with M        | £14,000           |

Through a professional representative, Mrs E raised a scam claim with Chase. Chase told Mrs E that she should raise a complaint with C as they weren't liable for those payments. However, they offered to refund 50% of the payments made to her account with M, saying they could've prevented her loss when they called her about payment six.

Mrs E wasn't happy with Chase's response, so she brought a complaint to our service.

An investigator looked into her complaint and upheld it. The investigator felt Chase should've intervened on the first payment as it was a new payee and identifiably related to cryptocurrency. But they thought Mrs E should've been concerned that the investment promised a 130% return and she should've completed checks before making the payments. So, the investigator recommended that Chase refund 50% of payments one to five.

Chase disagreed with the view and raised a number of points including:

- As payments one to five were made to an account held in Mrs E's name, Chase isn't liable for her loss.
- Mrs E wasn't honest about the reason for her payment when they intervened on payment six, so she was unlikely to give the real reason for the payment if they had intervened earlier.

- We haven't taken into account the credit paid into Mrs E's account on 16 June 2023, and the redress should be reduced by £50,000.
- The payments weren't identifiably related to cryptocurrency.

The investigator confirmed with both parties that the redress should be reduced by £50,000 based on the credit into Mrs E's account.

### **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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that Chase is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

It's not in dispute that Mrs E authorised these payments, although she did so not realising she was the victim of a scam. So, the starting position is that Chase aren't liable.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Chase also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Chase should've been mindful of – among other things – common scam scenarios, the evolving fraud landscape (including for example the use of multi-stage fraud by scammers) and the different risks these can present to consumers, when deciding whether to intervene. So, the fact that the payments went to an account held in Mrs E's name, before the funds moved to an account controlled by the scammer, doesn't negate Chase's responsibility to identify potential risks of financial harm from fraud.

Chase had concerns about the first payment Mrs E made and called her to discuss it. They asked why Mrs E was transferring the funds and she told them that it was related to building work she was having done on a property she owned in France. Mrs E said she was transferring the money to an account held in Europe.

However, Chase's evidence shows payments one to five alerted on their system because they were identifiably related to cryptocurrency – "*Customer is making payments to crypto merchants*".

Based on the information available to Chase, they should've been concerned and questioned whether Mrs E was being honest as it was unlikely that renovation work would require payment in cryptocurrency. Chase should also be aware that scammers coach victims in how to answer questions to avoid fraud detection by banks.

Because Chase knew the payment was being made to a cryptocurrency merchant, they should've probed more and asked for evidence relating to the purpose for the payments. If they had, I'm satisfied that it's more likely than not they could've uncovered the scam and prevented Mrs E's loss. I would highlight that Chase offered to refund 50% of payments six to eight on the basis that better intervention would've prevented Mrs E's loss. So, it's more likely than not the same would've occurred with these earlier payments as well – if there had been better intervention on the first payment.

As I'm satisfied that Chase could've uncovered the scam and prevented Mrs E's loss, they should refund payments one to four inclusive.

But I also have to consider whether Mrs E should've been concerned and taken reasonable steps to mitigate her loss. In considering this point, 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 complaint.

Mrs E was being asked to lie to the bank about the reason for the payment, and she should've been concerned by this. No legitimate company would ask an investor to lie to their bank. I also think a reasonable person would've been concerned about the legitimacy of an investment that offered a 130% profit on a one-year term.

Mrs E was given a document which appeared to show a Finra Broker Check as well as a copy of the broker's passport – to prove their identity. However, a genuine broker wouldn't provide an investor with a copy of their passport, and this should've been questioned by Mrs E.

Overall, there were enough red flags that I'm persuaded Mrs E should've doubted the legitimacy of the investment and the broker. So, I'm satisfied that it's fair for Mrs E to share responsibility for her loss with Chase and reduce the refund by 50%.

For completeness, I'm satisfied that Chase have already acted fairly in refunding 50% of payments six to eight, so I can't fairly ask them to pay any more in relation to the payments made to M. And, based on the statements, I'm satisfied that payment five was returned to Mrs E's account, so she didn't suffer a financial loss in relation to this payment.

### **Putting things right**

To put things right I require J.P. Morgan Europe Limited trading as Chase to:

- Refund 50% of payments one to four inclusive, being £67,500
- Pay 8% simple interest on the refund, calculated from the date of the payments to the date of settlement.\*

\*If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mrs E how much it's taken off. It should also give Mrs E a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

### **My final decision**

My final decision is that I uphold this complaint against J.P. Morgan Europe Limited trading as Chase and require them to compensate Mrs E as set out above.

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

Lisa Lowe  
**Ombudsman**