

The complaint

Mrs K is unhappy J.P. Morgan Europe Limited (trading as Chase) won't reimburse her in full for the money she lost when she fell victim to a scam.

What happened

In August 2024 Mrs K saw a post online about an investment opportunity which appeared to be endorsed by a celebrity, I'll call the company offering this investment 'M'. Mrs K contacted M and began to speak to someone who claimed to be a success manager at M. They claimed that M was an offshore trading platform which could give Mrs K significant returns on any investment. Mrs K says she checked M's website and reviews, and while she had some doubts, the people she was speaking with were able to convince her that M was legitimate, so she decided to go ahead with an investment. Unfortunately, and unknown to Mrs K, M was not legitimate, she was being scammed.

Mrs K opened an account with M, and was also encouraged to open accounts with various other entities, including C and R, which provided international currency transfers. Mrs K made an initial small investment of £250, and when she saw this had grown on M's platform, she decided to invest more. Initially, Mrs K made payments to M from an account she held with another bank, S. In January 2025 S stopped a payment and spoke to Mrs K, and when she said what the payment related to, S told Mrs K that she was the victim of a scam.

But Mrs K continued to correspond with her contacts at M, and they managed to convince her that M was a legitimate opportunity, despite what S had told her. So, later on in January 2025 Mrs K began to make more payments to M, from S via a money remittance service (W) and then on to the scammers. In February 2025, S intervened again and once more told Mrs K that she was being scammed.

But M was once again able to overcome Mrs K's concerns, and convinced her to continue to make payments associated with her supposed investment, and this was when she began to use her Chase account. During April 2025 Mrs K made seven payments from Chase to C and R, from where the funds were transferred to an overseas account. Chase intervened in the fifth payment Mrs K made, and asked her some questions about what she was doing, but did not identify that she was the victim of a scam.

In May 2025, after the scammers began to pressure Mrs K to take out loans to fund her investment, she reported the matter to Chase as a scam, with the assistance of a representative. Chase looked into what had happened and decided to refund 50% of the payments Mrs K had made to R, but it declined to refund any more of Mrs K's loss. It said the payments to C were not covered by the Reimbursement Rules as they were to an account in Mrs K's name, and that Mrs K should share some responsibility for her loss on the payments to R.

Mrs K was unhappy with Chase's response, so referred her complaint to our service. One of our investigators looked into what had happened, but while they felt that Chase could have done more to intervene in the payments Mrs K made, they did not consider that any further intervention would be likely to have prevented her loss.

Mrs K and her representatives were unhappy with the Investigator's findings. In summary, they argue that:

- The payments to C and R should all be considered under the relevant Reimbursement Rules, and so should be refunded to Mrs K.
- Mrs K was particularly vulnerable to this scam, and her vulnerability should be taken into account when considering a fair outcome here.
- Chase's interventions did not go far enough and if it had intervened appropriately it could have uncovered the scam.
- It is not fair to assume that earlier intervention by Chase would not have been effective based on what happened when it spoke to Mrs K later on in the scam.
- Chase has been inconsistent in its approach to the payments to C and R.

As no agreement could be reached, this case 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.

I'm very aware that I've summarised this complaint and the responses briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

And, having thought very carefully about all that has happened here, I've reached the same conclusion as our Investigator, and for the same reasons.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, 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 K made the disputed payments to C and R. So, the payments were authorised and under the Payment Services Regulations, the starting position here is that Mrs K is responsible for those payments (and the subsequent loss). However, that's not the end of the story.

From 7 October 2024 onwards, Payment Services Providers in the UK, like Chase, have been bound by the Faster Payments Scheme (FPS) and the CHAPS Reimbursement Rules. Under these rules, most victims of Authorised Push Payment (APP) scams should be reimbursed – but not all types of payment are covered. Specifically, the Reimbursement Rules only apply to payments made to 'relevant' accounts, and do not apply to payments made to international accounts, or to accounts in a customer's own control.

A 'relevant account' is an account that is:

- Held by a customer of a payment service provider ("PSP"), not the PSP itself; and

- Can send or receive faster payments (commonly known as “bank transfers”); and is
- Held in the UK.

The accounts Mrs K sent money to at C and R were pooled client accounts in C’s and R’s names from where the funds were then moved on. Neither C’s nor R’s accounts can be a relevant account for the purpose of the Reimbursement Rules because they are held by a PSP. Those PSPs used Mrs K’s money to make payments to overseas accounts. They did not credit Mrs K’s money to any account held by one of their customers. So, in the circumstances of Mrs K’s case, I am satisfied that the Reimbursement Rules do not apply.

Chase’s terms and conditions also include a provision for customers to be refunded when they are “tricked into sending money to a fraudster”, but I am satisfied that the particular circumstances here mean that Mrs K is not entitled to a refund under Chase’s terms either. I say this because the payments Mrs K made were to C and R, from where the funds were moved on to the scammers. So, she did not make payments direct to a fraudster, she used intermediary accounts.

Because of this, and despite the fact that Chase chose to refund some of the payments to R, Mrs K is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Chase acted fairly and reasonably in its dealings with Mrs K, or whether it should have done more than it did.

But having thought carefully about all that happened here, I am satisfied that, while it is arguable Chase should have intervened earlier on in the payments to C and R, it is unlikely that would have either uncovered the scam or prevented Mrs K’s loss.

I say this because before Mrs K began to make any payments from her Chase account she had already been told on two separate occasions, by S, that she was being scammed. S had also discussed how scammers will tell their victims to lie to banks about what they are doing, and Mrs K acknowledged that she had previously been told to lie by the scammers. Yet when Chase did intervene in Mrs K’s payments to R, she was not honest with it about what was happening. She told Chase that she was making payments to an account in Singapore as that was where her daughter lived and she would be going there for an extended visit. Mrs K was asked outright whether the payments were to do with an investment, and said no, she was also asked if anyone had told her to lie, and again said no.

So, it seems clear that Mrs K was told on more than one occasion that she was definitely being scammed, but nonetheless decided to continue. And that she was also willing to mislead Chase about what she was doing to ensure that she could make the payments she wanted to make, despite already having been warned about this.

With this in mind I don’t think I can fairly say that any further intervention from Chase would have stopped Mrs K from making payments to the scam. She seems to have been very much under the spell of the scammer from quite an early stage, hence why she was willing to be dishonest about what she was doing and to ignore clear warnings that what she was doing was not legitimate.

So, I’m satisfied that Chase could not reasonably have prevented Mrs K’s loss here. I note what Mrs K and her representatives have said about her vulnerability, and I don’t doubt that

this contributed to her falling victim to this scam. But this vulnerability would only entitle Mrs K to a full refund of her loss if we were considering these payments under the Reimbursement Rules, and as set out above, I am satisfied the Reimbursement Rules do not apply in this case.

Of course, any bank, including Chase, should still be on the lookout for potentially vulnerable customers, and ensure any vulnerabilities that are identified are taken into consideration. But in this case, I cannot see that Chase was aware of Mrs K's vulnerabilities until after the scam had already taken place. And from listening to her conversation with Chase, I don't consider that there would have been any clear indications that she was vulnerable that should have prompted Chase to question her further about her circumstances. So, I'm satisfied that Mrs K's vulnerabilities don't mean that she is entitled to a refund of her loss in this case.

I also don't think that Chase could have done anything to recover these funds once Mrs K reported the scam. I have seen evidence that Chase attempted to recover funds from R, but received no response. But in any case, we are aware that the funds sent to C and R were transferred on to the overseas account before Mrs K reported the scam, and in any case C and R had provided the services required of them, the onward transmission of the funds to the account in Singapore, so there was no route via which Chase could have reasonably requested the funds to be returned to Mrs K's Chase account.

I don't doubt that Mrs K has been the victim of a cruel scam here, and I know that she has lost a large amount of money and this has had a significant personal impact on her. But I've not seen anything to make me think it would be reasonable to hold Chase liable for Mrs K's loss, so I am satisfied that Chase does not need to do anything more here than it has already done.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 7 May 2026.

Sophie Mitchell
Ombudsman