

## The complaint

Mr S complains that J.P. Morgan Europe Limited, trading as Chase, won't provide him with a refund when he became the victim of a scam.

## What happened

There is a lack of information on the events that occurred on 26 September 2025. Mr S explains this is because they happened in the early hours (between 0243 and 0320) whilst he was *'intoxicated'* and *'not in a clear state of mind'*.

The following is an account of the events which Mr S has explained:

- He was abroad and, after a night out, was making his way back to his accommodation when he was approached by two people about the services of a prostitute.
- He agreed and was told he needed to make an upfront payment. After he did this he was then asked for further payments for additional services and because he felt pressured and intimidated and didn't feel he could safely disengage, he made three more payments. He says *'he did not believe it was a scam at the time I made the payments'*.
- He appears to have found it difficult to pay the criminals. He appears to have first tried to pay a merchant (this appears to be in the city he was in), then Firm R (a legitimate Electronic Money Institution) and then Firm W (a legitimate Electronic Money Institution) from his Chase credit card but the payments were declined.

He then appears to have been persuaded to open an account with Firm W (this appears to be because he was paying a Firm W account), giving them his Chase credit card details. Firm W then pulled the funds from his Chase account. The following table shows the four payments he made. The 'time' column, which doesn't correspond with events, appears to be when Firm W received the funds from Chase.

Payment Number	Date	Time	Payment Method	Payee	Amount
1	26/9/25	1700	Credit card	Mr S's account with Firm W	£203.17
2	26/9/25	1702	Credit card	Mr S's account with Firm W	£338.61
3	26/9/25	1708	Credit card	Mr S's account with Firm W	£235.73
4	26/9/25	1713	Credit card	Mr S's account with Firm W	£451.48
Total					£1,228.99

- That *'After the payments were made, the promised services were never provided. As they continued to pressure me into more payments, and it became clear that I had been manipulated into sending money with no intention on their part to provide what had been promised, I quickly made my exit'*.

Mr S contacted Chase and Firm W to claim a refund but his claims were rejected.

As the payment went to another Firm W account holder, Firm W were able to recover funds but only a very small amount (£8.87).

Although Mr S told Chase he didn't make the payments willingly, they said they couldn't provide a refund as the payments were made through a money transfer service and there were no chargeback rights to dispute the transactions.

Chase did though offer an apology for a service error as they didn't action Mr S's requests to raise disputes.

Mr S brought his complaint to our service (there are two strands) as he considers that:

- A. When rejecting his claim, Chase failed to properly assess that the payments were made under duress, due to coercion and criminal pressure. Also, didn't consider Mr S's safeguarding and his vulnerability at the time.
- B. When he complained, he received poor service *'being passed between teams repeatedly, receiving conflicting information, and being required to repeatedly explain highly distressing personal circumstances'*.

Our investigator wasn't satisfied that Mr S's loss was the result of a scam and he pointed out an inconsistency with the timing of the payments which caused him to doubt the explained events. Also, he wasn't persuaded that Mr S was intoxicated due to his payment activity and he didn't think that the payments should've triggered an intervention. In addition, he thought Chase's apology was sufficient for the service error.

Mr S disagreed and, when asking for an Ombudsman review, his points included the following:

- The later successful payments reflect when the transactions were ultimately completed, not when the events began.
- *'In relation to the lack of evidence, I would reiterate that this was an in-person incident involving coercion late at night while I was intoxicated. It is not unusual in such circumstances for there to be no written record. However, Firm W have independently acknowledged that I was pressured into making payments for services that were not delivered, which I believe supports my account'*.
- *'I do not agree with the suggestion that the services may have been provided. This is not consistent with my experience or the subsequent behaviour of the individuals involved'*.
- *'I do not agree with the conclusion that no loss to a scam can be established. While the payments were initially made to my own Firm W account, the funds were subsequently transferred out to a third party and not recovered (aside from £8.87).'*
- *'Consideration should be given to the wider transaction pattern, including multiple failed payments in the early hours, the use of a newly created Firm W account, and the fraud alert message I received from Chase. I believe these factors indicate that there were signs of unusual activity which could have warranted intervention'*.

### **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'm sorry to disappoint Mr S but my decision is not to uphold this complaint. I'll explain why.

I should first say that in making my findings, I must consider the evidence that is available to me and where information is incomplete, inconsistent or contradictory, as some of it is here, I must reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and wider circumstances.

Generally speaking, as set out in the relevant legislation (the Payment Service Regulations (2017) and account terms and conditions, Mr S is responsible for any payments he makes from his account which he authorises.

However, there are times that an account provider like Chase might become responsible for reimbursing transactions that are made as a result of a scam. This would be through the APP Scam Reimbursement Rules (introduced by the Payment Systems Regulator on 7 October 2024), for customers who have fallen victim to an APP scam or through a consideration of best practice and industry guidance relating to account monitoring for fraud prevention. However, for such responsibility to be assigned, it would first need to be established that a scam has taken place.

I considered Mr S's testimony, including calls and messages to Firm W and Chase, the attempted and actual payment trail (including timing reports received after the investigation) and Firm W payee comments and refund action. Although I can't be certain, on balance, I don't disbelieve Mr S when he says the four payments were made for the services of a prostitute in the early hours of 26 September 2025.

However, whilst I appreciate it may have been embarrassing and difficult for him to discuss, detail or recall events, the information Mr S has provided is very limited and doesn't include any information on his trip (whether he was accompanied or if there were witnesses), the coercion tactics used, how he was able to make a quick exit and the reasons behind the four separate payments that weren't too dissimilar.

Also, there is no local police report and Mr S says it wasn't until after the last payment that he realised it was a scam – so there is a lack of clarity on what exactly happened and I can't be sure about the events and it's possible some or all of the service was provided. And the pressure and coercion he talks about may have been after the fourth payment. Also, considering Mr S was able to make payments, go through a detailed account opening process and see warnings, I'm not persuaded that he was so intoxicated that he can't recall more of the events that occurred.

Regarding a bank's obligation to help protect customers from financial harm from fraud and scams, these are where the funds are being lost to a fraud or scam. I appreciate Mr S is convinced he was the victim of a scam and although this is possible, when considering whether he was a victim of a scam, my key finding is that there is insufficient evidence to support this.

I appreciate Mr S disagrees but after considering the limited information on file, I can't safely say this meets the high legal threshold and burden of proof for fraud. So, Chase's obligations to protect their customer from financial harm from fraud and scams doesn't apply to these payments and their primary obligation was to carry out Mr S's payment instruction without delay.

Regarding Mr S's expectation that Chase should've intervened, banks process thousands of payments each and every day and they can't intervene in them all. Also, they have to strike a balance between the extent to which they intervene in payments to try and prevent fraud and/or financial harm, against the risk of unnecessarily inconveniencing or delaying legitimate transactions.

Although Chase blocked earlier payments, the four they allowed were for relatively low amounts within Mr S's credit limit and, importantly, to an account Mr S held with a regulated financial firm. So, although there was earlier card payment activity in the early hours, the bar

for a Chase intervention would be high as they could have a level of comfort that regulated Firm W, who appear to have pulled the payment, would have information on the payee.

Even if I was to be persuaded that it was a scam and that Chase should've blocked payment 1, and asked Mr S to call them before releasing it, based on the available information, I think it more likely than not that he would've still wanted them to have authorised it and not told them what services he was purchasing. I say this because at that point he appears to have believed the service was legitimate and because of the nature of the service (and his reluctance to refer to it when he made a claim and complained) I think he would've likely not disclosed the real reason.

Regarding card chargebacks, including under S75, I'm satisfied that this wouldn't have been possible as the payment service was provided by Firm W and there is no evidence of a breach of contract or misrepresentation by them.

Regarding the service strand of this complaint, although I understand Mr S's frustration and him finding it difficult to discuss events, I noted that Chase did offer an apology. When considering this together with the timeframe, chargebacks not being applicable and Mr S not answering their important question on what happened (leading them to give him some advice) and him being reluctant to speak with them, I don't think this warrants a compensation payment.

So, having considered the above and all the information on file, I don't think it would be fair or reasonable to require Santander to provide Mr S with a refund or compensation.

### **My final decision**

For the reasons mentioned above, my final decision is not to uphold this complaint against J.P. Morgan Europe Limited trading as Chase.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 May 2026.

Paul Douglas  
**Ombudsman**