

## **The complaint**

Mr L complains J.P. Morgan Europe Limited, trading as Chase, blocked his account without explanation nor notice and withheld his funds. Mr L also complains about the poor customer service he's received.

To keep matters simple, I will refer to Chase mainly in my decision.

## **What happened**

In August 2022, following a review, Chase blocked Mr L's account. As a result Mr L couldn't access his funds nor any online banking services. Unhappy with Chase's actions and the lack of information or explanation, Mr L complained.

Chase didn't uphold Mr L's complaint. In summary it said it doesn't have a timescale for investigated accounts and cannot provide any information until the relevant team get in touch with Mr L.

Mr L referred his complaint to this service. One of our Investigator's looked into Mr L's complaint, and in summary they found:

- Chase acted in line with its obligations when blocking Mr L's account
- Chase has caused undue delays and should compensate Mr L for this by paying 8% simple interest on the funds withheld from 9 October 2022 until settlement. It should also pay Mr L £150 compensation for the distress and inconvenience it's caused
- Mr L would have found the daily texts from Chase frustrating whilst his account was blocked. But there were sent because of a payment being attempted from Mr L's account
- Chase doesn't have to give Mr L an explanation for blocking his account

Chase agreed with what our Investigator said and returned just under £800 back to Mr L. But Mr L didn't agree. Mr L says £150 is very low compensation for the distress and inconvenience he's suffered. Our Investigator looked at this again but thought the compensation they recommended was fair.

As there is no agreement, this complaint has now been passed to me to decide.

## **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've decided to uphold this complaint in part. I'll explain why.

Banks in the UK, like Chase, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing

monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Chase has explained to this service and provided some information as to why it reviewed and blocked Mr L's account. Having carefully considered this, I'm satisfied Chase did so in line with its obligations.

But Chase should carry out such a review within reasonable timescales. And based on the limited information it has provided to this service, I'm persuaded it's failed to exercise reasonable care in its review through its timeliness. And this has led to significant avoidable delays.

Because of this Mr L has been deprived of his funds for much longer than he ought to have. Had Chase acted and taken actions as part of its review as I would expect it to, then I'm minded to agree Mr L is likely to have received his funds back around 9 October 2022. So Chase should pay him 8% simple interest on these funds from that date until settlement was made. That is, if it hasn't already.

Mr L would like an explanation as to why Chase blocked his account. But it isn't under any obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Chase has provided is information that we considered should be kept confidential.

As a resolution to his complaint Mr L wanted Chase to either close his account or re-open it. I understand Chase has now closed Mr L's account.

This brings me onto what has become the crux of Mr L's complaint: fair compensation for the distress, inconvenience, and poor customer service he's suffered.

I have listened to several calls Mr L had with Chase. And I've been provided the transcripts from the chats Mr L had with Chase over its online messaging service. I've explained what Chase needs to do to compensate Mr L for being deprived the use of his funds. I also agree that it needs to pay him compensation for the distress and inconvenience he's suffered – largely due to the poor service he's received.

In weighing up what fair redress should be, I've also noted that Mr L was sent text messages due to a system limitation and that he was regularly told the relevant team would contact him – but that doesn't seem to have happened. But I note this wasn't Mr L's main account and nor have I seen any compelling evidence that being without the use of the account had a significant impact upon him to warrant an award higher than £150.

So it follows that I think £150 is fair compensation for the distress, inconvenience Mr L suffered due to Chase's failings.

### **Putting things right**

To put things right, Chase must:

- Pay Mr L 8% simple interest on the funds that were held in his account from 9 October 2022 until settlement\* (if that hasn't been done already)
- Pay Mr L £150 compensation for the distress and inconvenience he's suffered

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

### **My final decision**

For the reasons above, I uphold this complaint in part.

J.P. Morgan Europe Limited, trading as Chase, must now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 9 April 2024.

Ketan Nagla  
**Ombudsman**