

## **The complaint**

Mr M complains that J. P. Morgan Europe Limited (trading as Chase) has not refunded money he lost to a scam.

## **What happened**

Mr M says that he came across an investment opportunity on social media. He submitted his details and was then called by someone claiming to be from an investment firm, this was followed up by a call from an individual who said they would help him with the cryptocurrency trades he was interested in. He made an initial small investment in April 2023, and says he could see this on his trading account and that he was already making some profit, so in June 2023 he made a further much larger investment. Unfortunate, and unknown to Mr M, the investment opportunity was not legitimate, he was dealing with scammers.

In total, Mr M made payments of over £28,000 to the scammers. But when Mr M was told he would then need to pay significant fees and charges in order to withdraw his existing investment, he became suspicious and realised that he had fallen victim to a scam.

Mr M – via a representative – reported to Chase that he'd been scammed, detailing a number of payments that he said were part of the scam. Chase could not match many of these payments up with the activity on Mr M's account, and so asked for clarification. When it didn't receive a response it said it could not consider the matter further.

Mr M referred his complaint about Chase to us. When providing its file to our service Chase reiterated that it had not received clarification from Mr M about the payments he had asked it to look into, but nonetheless confirmed that it had intervened when Mr M made the last payment to the scam – for £25,000 – and had educated him about scams. Chase did not consider it should be held responsible for Mr M's loss.

One of our Investigators looked into what had happened. They acknowledged that only one of the payments Mr M had detailed in his complaint to Chase could be matched up with the activity on Mr M's account, so confirmed they would not be looking into the other payments Mr M had detailed. But nonetheless, the investigator felt that Mr M was entitled to a refund of that one payment given the terms of his Chase account.

Mr M accepted the investigator's findings, but Chase did not. It maintains that it was not given a chance to properly consider the complaint given Mr M's lack of response to its request for clarification. As we couldn't resolve the matter informally, the case has been passed to me for a final 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.

Having done so I've reached the same conclusion as our Investigator and for largely the same reasons.

Firstly, I understand that in his original complaint to Chase Mr M referred to three payments he made towards the scam. But only one of those payments – the £25,000 payment made on 6 June 2023 – matches up with the activity visible on Mr M's statements. Mr M did not provide any clarification regarding the other payments. I also appreciate that Chase has said it was unable to investigate this scam claim given the lack of clarification from Mr M. But as noted above, the largest payment Mr M identified in his complaint is clear on his Chase statements. So, while I can understand that Chase was unable to investigate the other payments claimed, I can't see why it would not have been able to address this £25,000 payment based on the information it had at the time. With all this in mind I'm satisfied that it is reasonable for us to consider the £25,000 payment as part of this complaint.

I'm satisfied Mr M 'authorised' this payment for the purposes of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations Mr M is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, although Mr M didn't intend his money to go to scammers, he did authorise the disputed payments. And Chase is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

The payment did flag as potentially suspicious and there was a phone call during which Chase discussed the payment with Mr M. Unfortunately, there were key facts about the circumstances of the investment which didn't come to light during the call and this meant Chase was unable to detect that the payment was being made to a scam.

However, the terms and conditions of Mr M's Chase account state the following:

*"You'll generally get a refund for a payment if you have any of the problems set out below...*

*A payment where you're tricked into sending money to a fraudster... This is where you:*

- either intended to send money to a particular person, but you were tricked into sending money to someone else; or*
- sent money to someone for what you thought was a genuine purpose, but which was actually fraudulent...*

*If, taking everything into account when the payment was made, we find you should've known you were being tricked into sending money to a fraudster you won't get a refund."*

So, I've considered whether Mr M should have known he was being tricked when he made the payment. And, while I accept Mr M was given some scam advice when he discussed the payment with Chase, I don't accept the warnings were robust or effective enough to have brought to his attention the fact he was being scammed. And he didn't ignore advice to do more checks before going ahead with the payments, he was simply asked to confirm that he'd done due diligence, which he thought he had given that he had checked the company he thought he was investing with via various sources – the FCA register, Companies House, and online reviews – and not found anything to cause him concern. And by the time of this payment Mr M appears to have already seen some returns on his investment, which he says he could monitor via a professional looking trading platform. So I don't consider that anything Mr M was told by Chase, or that he had seen in his dealings with the scammers, should have put him on notice that he might be being scammed.

So, having considered all of the circumstances, I don't think it was unreasonable that Mr M failed to identify any warning signs that he was being scammed and I don't think the circumstances were such that he should've known he was being tricked. Because of this, I agree with our investigator that Chase should refund the £25,000 payment Mr M lost to the scam. Mr M has though told us that he was able to withdraw £500 from the scheme, so I think it's reasonable that the refund from Chase reflect that.

### **Putting things right**

To resolve this complaint J. P. Morgan Europe Limited (trading as Chase) should:

- refund £24,500 to Mr M, representing his outstanding loss
- pay 8% interest on that amount from the date of its final response – 1 September 2023 – to the date of settlement.

### **My final decision**

I uphold this complaint, J. P. Morgan Europe Limited (trading as Chase) should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 April 2024.

Sophie Mitchell  
**Ombudsman**