

The complaint

Mr K complains J.P. Morgan Europe Limited trading as Chase unfairly blocked and closed his account. He wants compensation for the impact this had on him.

What happened

What follows is the same background facts I set out in my provisional decision. I repeat them here for the purposes of issuing my final decision.

Mr K held an account with Chase which was opened in August 2022. In October and November 2022 two payments credited the account which Mr K says represented proceeds of cryptocurrency sales he carried out on a third-party P2P platform.

Chase partially suspended Mr K's account following third party reports about the payments. They asked Mr K to evidence the payments, and also asked him to provide bank statements from the payers. Mr K provided evidence of the trades from the platform but couldn't provide statements because he didn't know the buyers – they just bought cryptocurrency from him using the platform.

Mr K said the service he received from Chase was very poor, and he feels discriminated against. He says they provided information promptly and despite multiple calls and chasers they blocked his account for four months.

Chase concluded their review on Mr K's account in March 2023. They closed his account and released the balance to him. They said they were able to block Mr K's account under their terms and conditions and their review was carried out in line with their process.

Mr K brought his complaint to our service. Our investigator didn't uphold his complaint. They concluded:

- Chase's terms allow them to sometimes block and immediately close accounts. They didn't have to tell Mr K why.
- Mr K submitted evidence of trades on the platform, but there wasn't evidence to show the basis of the trades or that he reported them to the platform.
- Mr K hadn't provided evidence to show he had to use high-cost credit when the account was blocked while he was on holiday. The balance Chase held was small and unlikely to have caused him financial detriment.
- Mr K felt discriminated against due to his ethnicity, but there wasn't evidence to show Chase treated him unfairly on this basis.

Mr K disagreed with the outcome and asked for a final decision by an Ombudsman. I issued a provisional decision earlier this month. I upheld his complaint in part. My findings were:

“Chase have important legal and regulatory obligations to meet when providing accounts. To

these ends they will monitor accounts and they may carry out reviews periodically or when they form a concern. It's not uncommon for firms to then restrict an account to carry out a review.

Chase received two reports concerning the two payments in question. Based on the nature of the reports, I understand their concern and why they restricted Mr K's account. I don't find their decision unreasonable.

Chase asked Mr K for evidence of the payments. He provided clear transactional history for both payments, and the platform messages sent between him and the buyers of the cryptocurrency.

Unlike our investigator I find the evidence Mr K sent does reliably tie the activity he carried out on the platform to the payments that credited his Chase account. The names which appear on the messages he sent match the names of the payers, and the transaction amounts and dates also match the payments.

Chase asked Mr K for statements from the persons who made the payments. But I agree with Mr K that this was not within his gift to provide, considering the nature of the payments. He did not know the payers personally, but instead sold cryptocurrency to them when they placed orders on a third party's P2P platform.

Chase took the decision to close Mr K's account. I understand why. Mr K may have carried out genuine trades, but the fact that two separate reports were received from two different payers represented a risk to Chase. So, it was within their commercial discretion to offboard him. I appreciate Mr K feels discriminated against, but I don't find Chase's actions were related to a protected characteristic he holds.

Chase needed to complete their review without undue delay, so as to avoid potential harm and detriment to Mr K that could be avoided. Chase say they carried out their review within their service levels. But I find they had all the information they needed to reach their decision earlier on. So, I find they should have released the balance they held earlier.

I'm not persuaded Mr K has sufficiently established he took out high-cost credit as a result of his account being blocked. He has confirmed he had other accounts, and the balance Chase held wasn't large. So, I don't find Chases actions caused him this loss.

I'm satisfied Mr K would have been caused some inconvenience and frustration by the length of time Chase took to reach a decision, which could have been lessened had Chase taken their decision earlier.

I also find, that although Chase held a small balance, Mr K was still denied the use of his funds for a period when he should have had use of them.

In view of the above, I'm currently inclined to require Chase to:

- Pay Mr K £50 to make up for the frustration and inconvenience he was caused by how long Chase took to reach a decision. I haven't seen evidence to demonstrate a larger award would be proportionate.*
- Pay Mr K 8% simple interest per annum on the balances Chase held for Mr K from*

15 December 2022 until Mr K was able to remove the balance they held. This represents the potential financial loss he may have experienced by not having use of his balance when he should have.

Based on the information I've seen Mr K provided his evidence at the end of November, and I think approximately two weeks was a reasonable amount of time for Chase to have carried out and completed their review."

Chase did not respond to my decision within the deadline I set, and I'm satisfied they've had sufficient time to respond.

Mr K disagreed with my provisional outcome. He said he didn't do anything wrong and was subject to false chargeback claims. He said the closure of his account affected his credit file, he should receive a larger sum in compensation, and his account should be reopened.

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've decided to uphold Mr K's complaint for the same reasons I set out in my provisional decision. Those findings are copied above and form my findings for this final decision.

I've listened to what Mr K has said, but my finding remains the same that Chase could close his account whether or not he feels false claims were directed against him. The fact reports were received from two different persons is sufficient enough reason for them to have exercised their commercial discretion not to continue to provide him with an account. So, whether or not his credit file now reports his account as closed is not something for which I'm awarding compensation.

I don't find Mr K has presented evidence which would warrant a larger sum of compensation in relation to the frustration and inconvenience he experienced by how long Chase took to release his funds. I've seen nothing to show he took out high-cost credit as a direct result of Chase's actions, and the balance held in his account wasn't substantial.

Putting things right

Subject to Mr K accepting my final decision by the deadline, I require J.P. Morgan Europe Limited trading as Chase to:

- Pay him £50 to make up for the frustration and inconvenience he was caused by how long they took to reach a decision. I haven't seen evidence to demonstrate a larger award would be proportionate.
- Pay Mr K 8% simple interest per annum on the balances Chase held for Mr K from 15 December 2022 until Mr K was able to remove the balance they held.

If they consider they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mr K how much they've taken off. They should also give Mr K a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is I uphold Mr K's complaint. J.P. Morgan Europe Limited trading as Chase need to pay him compensation according to my instructions above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 28 February 2024.

Liam King
Ombudsman