

The complaint

Miss P complains that JP Morgan Europe Limited trading as Chase failed to close or freeze her account when she requested it. She has an addiction and as a result spent large sums of money on gambling.

What happened

In August 2022, Miss P complained to Chase that despite a gambling block being placed on her account it still allowed her to gamble. Chase explained that the sites she was using were overseas sites which showed up as gaming rather than gambling and as such would not be blocked by the gambling block. She made a complaint to this service but we concluded that Chase had acted fairly and had offered its available support in respect of gambling transactions.

Miss P complained to Chase again in May 2023. She explained that she had asked Chase several times to close her account to enable her to stop gambling. She had initially asked it to do this in August 2022 and the account was not closed. She says she then used her account for gambling in April and May 2023 and made several requests for her account be closed. Chase gave information about how to close the account but she wasn't able to do this. It was explained to her that firstly it could not be done while she had a balance on her account and then that it had to remain open whilst her complaint was being dealt with. Eventually, as I understand it, Miss P's account was frozen.

On referral to the Financial Ombudsman Service, Miss P provided details of all the gambling transactions that she says were carried out in August 2022 and April and May 2023. Our Investigator said that Chase ignored multiple requests from Miss P to close her account, when it knew that it had options to prevent her from spending further. Our Investigator calculated that Miss P spent over £8,500, and he said that Chase should refund that money and pay £750 for distress and inconvenience.

Chase responded to our Investigator's view as follows:

- It had reviewed all the transactions on Miss P's account since August 2022 and identified only one merchant that is confirmed to be a gambling one.
- None of the MCCs (Merchant Category Codes) were related to gambling and currently, there is no way it can block payments to these merchants.
- The previous Financial Ombudsman Referral was ruled in its favour, as Chase UK did all in its power to prevent the customer from gambling
- Had we informed it in the original case of actions it should have taken, it would have and this would have prevented any further loss or damage.
- Miss P has not made it aware at any point she would have any difficulty closing her account herself. No vulnerabilities or capacity conversations were highlighted by her. She requested multiple times to close her account and the Chase Specialist provided her

with the steps to do so and she decided to ignore them. It is a digital bank and expects customers to be self-sufficient.

- Miss P requested for her account to be frozen. This is not possible as account blocks are only used when it suspects illegal activity on an account. Furthermore, it did not freeze the account as there was day to day spending on it.
- Miss P says she only has a Chase account and a basic account with an external bank. By reviewing the account and payees, it has identified that she has at least four more bank accounts.

The matter has been passed to me for an Ombudsman's consideration.

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.

To deal firstly with Miss P's previous complaint, this concerned the fact that she had been able to carry out gambling whilst a gambling block was in place. It was explained to her that transactions which do not produce a merchant code for gambling would not be blocked. As I understand it these were mostly transactions done through overseas websites.

And any indication by our Investigator at the time that Chase had exercised all its support available with regards to gambling transactions, again concerned the gambling block rather than Miss P's requests to close the account. Our Investigator did not consider that issue.

So I think that I'm able to consider the issues in this case, outside of the actual gambling block. To be clear, I think that Chase's position regarding what the gambling block does and doesn't cover is reasonable.

The issue that Miss P has complained about is that, once she knew the gambling block wasn't blocking her transactions, she asked for the account to be closed. Failing that, she asked for a freeze to be placed on her account. All the following occurred during online chats.

Miss P first raised these points on 25 August 2022. In response to being told about the gambling block not working for certain merchant codes, that if *"that would have been explained to me the other day I would have requested a complete block on my account and an account closure."* In response to this Chase told Miss P it had opened a formal complaint. And Miss P wrote on 26 August *"can you at least stop me from being able to gamble this is the request I have been asking for"*. She was told by Chase about managing the use of her card on the app, but wasn't told whether Chase would close or freeze her account.

On 28 August Miss P requested all the money spent on gambling since she requested the block to be compensated back to her account, and the account closed. Chase's response was that Miss P's complaint was being dealt with and would take between 72 hours and eight weeks to resolve. Miss P's response was *"But in the meantime shouldn't a freeze be placed on my account?"* And *"As requested the other day I asked for the account to be closed just to stop me from spending."* Chase advised Miss P that her request had been sent to the relevant team for processing but in the meantime it again explained how to do it on the app. Miss P didn't carry out any gambling/gaming transactions after 2 September 2022 until 3 April 2023.

On that day Miss P wrote “*I have expressed in 2022 how I have a bad gambling addiction. I’ve expressed how I wanted my account not to allow gambling transactions. Since yesterday over £2,000 in gambling transactions have been made.*” Chase responded that it would issue a ticket to block a specific transaction but could not assure that all online transactions would be stopped as it didn’t know what subscriptions were linked to her card details. It suggested that Miss P change her card details online.

Miss P continued to ask for her account to be closed or frozen, on 20 and 24 April, and on 2 and 3 May 2023. No gambling/gaming transactions took place after 4 May. The account was frozen on 21 May 2023, but it has not yet been closed.

I think that Miss P, having been told in August 2022 that the gambling block wasn’t effective on the transactions she was carrying out, showed that she wanted the account to be closed or blocked. She made this request on numerous occasions but in effect kept being fobbed off by Chase until it could review her complaints in detail, the first one in September 2022 and the second one in May 2023. In a telephone conversation with our Investigator, in February 2023, an adviser from Chase said that it accepted full responsibility for not having done more to help Miss P at the time. In particular he said that it could have easily closed the account when she asked it to. He said that freezing the account was a little more tricky, as the customer can get the account unblocked. I’ll set out below my views on compensation below but will first address Chase’s response to our Investigator’s view.

transactions on Miss P’s account not being gambling ones

Chase says all the transactions are either gaming, related to the purchase of games or are software consultants/digital payment methods. A number of transactions were made through what appears to be a water company.

Miss P has advised us she had an addiction and her pattern of spending confirms that. Whether her compulsive spending was technically on gaming rather than gambling, she had frequently pointed out that her spending was out of control. This point was made clear to Chase during the aforesaid telephone conversation with our Investigator.

As regards the other transactions which were not identified as gambling, I understand that Chase is aware that gambling blocks can be bypassed through payments made to non-gambling websites and the consumer’s money is then used to carry out gambling. And Miss P wanted to close her account because of this spending. In respect of what is identified as a water company again the pattern of frequent payments converted to a foreign currency of the same or similar amounts would indicate this to be gambling or gaming rather than payments to an obscure overseas water company. And Miss P wouldn’t have been aware of how the payment appeared on her bank statements.

I accept that Chase was unable to block these payments but that is not the issue in this case.

this service didn’t inform Chase of the actions it could have taken

This relates back to the previous investigation. But as I’ve said this didn’t consider Miss P’s frequent requests to have the account closed down. I would expect Chase to identify itself any failings in its service to Miss P. And it did so when talking to our Investigator.

Miss P would've been expected to close the account herself . It hadn't been notified of any vulnerabilities that prevented her from doing this.

This ignores the fact that Miss P attempted to close her account herself but was blocked from doing so because there was firstly still a balance on the account and then that there was a complaint pending, And the latter point related to mostly the whole of the periods of compulsive spending. And although somebody who has problems with gambling wouldn't necessarily be recorded as being vulnerable, she advised several times about how the spending was affecting her family and her mental health. In her online chats she said that she was becoming increasingly desperate and that her situation was serious. I don't think that she ignored the advice Chase gave her about closing her accounts, from the evidence it appears that she was simply unable to do this.

I would have expected Chase to step in and arrange the freezing or closing of the account. and Chase has told us that it could have easily closed the account at Miss P's request. I don't accept that it couldn't block the account, as I understand that Miss P has now had her account successfully blocked so she can't carry out the transactions she wanted Chase to block. I accept that except where there is suspected fraud, Chase would have to unblock the account if Miss P requested it.

Miss P has other bank accounts

I'm not sure of the relevance of this. I understand that Chase raised this with our Investigator because it wanted to know if it could learn any lessons from how other banks have treated Miss P. She told our Investigator that she has one other basic account and that she has been successful in blocking merchants' transactions with this bank. From reviewing her bank statements with Chase I can only see evidence of one other account.

conclusion

I think Chase should pay Miss P compensation of £750 for distress and inconvenience. I take into account that she asked Chase on numerous occasions to close her account and it confirmed that it could easily have done this. She has told us that it has affected her mental health and caused financial hardship for her and her family.

I further think that Chase should refund to Miss P the total sum of £8,540.98 being the total amount Miss P spent on gambling or gaming over the period from 25 August 2022 until 4 May 2023 inclusive. As it failed to respond to her requests to close or block her account during this period.

I should warn Miss P that if she asks Chase to unblock her account it will normally be obliged, under banking regulations, to do that. And as it can't put in place a blanket block on the sort of sites she has been using, she might well find that her only option is to close the account. I would expect Chase to close her account if she requests it to do so.

Putting things right

Chase should pay Miss P £750 compensation.

Chase should further refund to Miss P the total sum of £8,540.98.

My final decision

I uphold the complaint and require J.P. Morgan Europe Limited trading as Chase to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 22 May 2024.

Ray Lawley
Ombudsman