

The complaint

Mrs O complains that J.P. Morgan Limited (trading as Chase) (Chase) closed her account. She is also unhappy about how long Chase took to release her account balance.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mrs O had a personal account with Chase.

In December 2023, Chase contacted Mrs O by phone and sent her messages via its banking app to say that it had noticed business transactions being undertaken using her personal account, which was a breach of the terms and conditions of Mrs O's account.

Chase detailed the transactions that it was concerned about and asked Mrs O to get in touch with them so that it could discuss how she was using the account. Chase also reminded Mrs O that she could only use her account for personal use. And that Chase don't offer business accounts. But Mrs O didn't respond to any of the messages Chase sent.

Following this in February 2024, Chase decided to close Mrs O's account. Chase wrote to Mrs O and sent her messages via its in app chat to let her know it had closed her account immediately. At the time, Mrs O's balance was just over £600. Chase told Mrs O that she could access her balance by transferring the funds herself or by providing Chase with an alternative bank account.

Mrs O complained to Chase. She said she hadn't been given a proper explanation about why her account had been closed. And Chase hadn't given her account balance back. In response, Chase said that it had let Mrs O know it was closing her account and had closed it in line with the terms and conditions of the account.

Unhappy with this response, Mrs O brought her complaint to our service where one of our investigator's looked into what had happened. The investigator decided that Chase hadn't done anything wrong and had treated Mrs O fairly. She explained to Mrs O that Chase had closed her account because it had suspected she had been using it for business purposes, which was a breach of the terms and conditions of the account. The investigator also arranged for Mrs O's closing balance to be returned to her by providing Mrs O's bank account details to Chase.

Mrs O disagreed. She said she wasn't using her account for business purposes and Chase never told her it thought she was misusing the account. So, she said Chase hadn't treated her fairly when it had closed her account.

As no agreement could be reached the matter has come 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.

I can see Mrs O feels very strongly about his complaint. That's clear from what's she's said to us and to Chase. Whilst I appreciate Mrs O's frustration and how this matter has impacted her, it's important to point out that the only thing in question here is whether Chase has done what it should have done. I think it has and I'll explain why.

The terms and conditions of Mrs O's account set out that its accounts are for '*personal use only. For example, you must not use these accounts for a business.*' The terms also explain that Chase can close Mrs O's account immediately if the account is used for a purpose not covered by the account terms and conditions.

Chase says that is discovered Mrs O's account was being used for business transactions, so it tried to call Mrs O to speak to her. Unfortunately, it appears Mrs O didn't answer the phone call chase made, so Chase sent Mrs O a message via its banking app setting out that it had identified some transactions that maybe business usage relating to construction and landscaping companies. And to ask her to stop using the account for business. Having looked at Mrs O's account statements and how she was using her account, I think that it was reasonable for Chase to have done this, given Mrs O's account was being used in a way that breached the terms she agreed to.

Chase gave Mrs O an opportunity to speak to them about how she was using her account. And suggested that she should open a business account with another bank. But Mrs O didn't respond. I acknowledge that Mrs O says she never saw the message Chase sent her, but based on the evidence I've seen, I'm satisfied that Chase did send it. So, it wouldn't be fair to hold Chase responsible for the Mrs O not reading the message.

From looking at Mrs O account activity, it looks like Mrs O continued using the account for business transactions throughout January and February 2024. Following this Chase decided to close Mrs O's account immediately. It wrote to Mrs O on 15 February 2024, to let her know that it had closed her account. I don't find this to be unfair. It's up to Chase to decide the parameters of how its customers can operate their account. And from looking the terms and conditions I'm satisfied that these parameters are made clear.

From looking at all the circumstances, Chase noticed that Mrs O may have been operating her account in breach of its terms and conditions. In these circumstances I'd expect Chase to contact Mrs O, explain the issue and give her a reasonable opportunity to resolve the matter – which is what the bank did. So, it was entitled to close the account as it's already done.

I note too that when Chase wrote to Mrs O it explained to her that she could transfer her balance out of the account. As an alternative Chase also said if Mrs O provided them with her bank details it would transfer the funds to her nominated account. So, I'm satisfied Chase explained how Mrs O could access her funds. It appears, Mrs O didn't provide her bank details until after she brought her complaint to our service. So, I'm satisfied Chase haven't caused any delays in returning Mrs O's closing balance.

In summary, I realise Mrs O will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I can't conclude that Chase have treated Mrs O unfairly. So, I won't be telling Chase to do anything to resolve Mrs O's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 10 September 2024.

Sharon Kerrison
Ombudsman