

The complaint

Mr L complains that J.P. Morgan Europe Limited trading as 'Chase' behaved unreasonably when it asked him to provide personal information he felt Chase wasn't entitled to request or know about. And he believes that Chase has been dishonest about why it has asked for this information.

What happened

Mr L held a current account with Chase. In January 2024, Chase contacted Mr L and requested him to provide certain information. Mr L told Chase he didn't consider it was entitled to the information being requested. He said it was a breach of his right to privacy and his entitlement to data protection. Mr L didn't know of any other Chase customers who had been contacted about this and he wanted to know why he'd been singled out to provide this information. He asked Chase to withdraw its information request and said he would contact Chase and provide necessary information if and when his details changed – but he wouldn't be completing the questionnaire Chase had sent him.

Chase told Mr L that it was required to check that the details it held for him were up to date and collect new information when it needed to. Chase said: '...This is so we can verify your identity, and help keep your account safe. The questions we ask you help us build a fuller picture of your finances, so we can better detect when there's unusual activity on your account. We'll use the information you give us in line with our Terms & Conditions and Privacy Policy.'

Mr L wasn't happy with this response and brought his complaint to us.

Our investigator didn't think that Chase had done anything wrong. He thought that it was reasonable for Chase to request the information it had asked Mr L to provide as part of its regulatory compliance requirements. He said all banks are expected to keep customer information up to date. And that Mr L hadn't been singled out by Chase as lots of other customers had been contacted at the same time – and in due course, Chase would need to ask all customers to go through the same process.

Mr L disagreed with the investigator's view. He mainly said that he's aware of at least three other Chase account holders who haven't been asked for this further information. He feels this shows that Chase are being dishonest as '... they have clearly not done this with the vast majority of their customers.' Mr L said that, unless triggered by a specific event, no other bank has ever asked for further information or requested a citizenship check after the account was set-up. He feels that Chase still haven't explained why this might be necessary or why no other bank is doing this. Mr L asked for an ombudsman to review his complaint, so it has 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.

This includes listening to the call recordings provided. Having done so, I've decided not to uphold Mr L's complaint. I'll explain why.

I appreciate that Mr L feels strongly that Chase has no valid reason for requesting the information he's been asked to provide, and he says his circumstances haven't changed. But I must take into account that Chase has legal and regulatory obligations imposed by the Financial Conduct Authority ('FCA'). Chase is required to have in place processes to ensure that it has sufficient knowledge of its customers. This is sometimes referred to as 'Know Your Customer' ('KYC').

This means that Chase may need to check from time to time that the information it holds for its customer is correct. It is a commercial decision which Chase is able to make on how often it undertakes these checks and what information (within reason) it needs to comply with its obligations. I don't consider that asking Mr L questions he felt were unduly intrusive, about his citizenship status or how much money he expected to put in the account, were unfair or unreasonable.

Chase has explained that this sort of information helps the bank to keep his money safe and that seems a reasonable explanation to me. Sharing personal and private information (such as citizenship status for example) could help Chase verify Mr L's identity. And having some insight into the way he expects to use his Chase account could help alert Chase to any suspicious activity occurring on his account. This all helps keep Mr L's money safe and his account secure.

I take Mr L's point that the details he provided when the account was set up haven't changed – but he still needs to provide that confirmation to Chase so it knows his record is accurate and up to date. It's not unfair or unreasonable for Chase to ask some additional questions he wasn't asked previously. The onus is on Chase to meet its regulatory obligations. This means Chase can't simply rely on Mr L updating his record when he chooses to volunteer information he's happy to share.

I've haven't seen enough to suggest that Chase hasn't been forthright about its process here. It said the questionnaire Mr L has complained about was sent to most of its customers as part of its KYC updating process around the same time as Mr L was contacted. The fact that Mr L doesn't have personal knowledge of other Chase account holders who have been asked to fill in the same questionnaire isn't enough for me to uphold this part of his complaint. As Chase has said, to meet regulatory requirements, it will be required to contact all customers at some point.

Mr L objects to Chase being able to limit access to money in the account that belongs to him. But the account terms and conditions, which Mr L signed up to in order to be able to use his account, entitle Chase to block a customer's account where it has concerns about the security of the account.

There's information on Chase's website which explains in some detail why it needs to review and update personal details. I think it's reasonable for Chase to say that it will place restrictions on a customer's account if a customer does not want to fill in the information it requires as that potentially compromises account security, putting customers' money at risk.

And Chase operates a staged process. It has a system of warning alerts telling customers what action they need to take to avoid their account use being limited after 60 days. This is followed by a restriction after 90 days preventing access to mobile banking. After 120 days, the customer can't move any money. At every stage, the customer is reminded that Chase is required to get more details and carry out verification checks and prompted to get in touch to provide the necessary update.

I recognise that Mr L found all this frustrating. But in order to uphold this complaint I would need to be able to fairly say that Chase did something wrong or acted in a way that wasn't fair and reasonable – and I haven't seen enough here to do so. To sum up:

- I consider that Chase was clear about the information it needed, and why, and I think its information requests were reasonable.
- It's up to Chase to decide how it meets its regulatory obligations, so I can't say that it acted unfairly or unreasonably when it asked Mr L for information it says it needs to meet these obligations.
- Chase gave ample warning about the consequences for Mr L if he didn't provide the information Chase needed to meet its regulatory obligations. Mr L would've seen firmly worded warnings that Chase would restrict his account if he didn't provide the requested information, which was in line with its terms and conditions.

So, I won't be asking Chase to do anything more.

My final decision

My final decision is that I don't uphold this complaint.

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

Susan Webb
Ombudsman