

The complaint

Mr O complains that J.P. Morgan Europe Limited trading as Chase ('Chase') blocked his bank accounts and didn't explain why. He wants his accounts unblocked.

What happened

Mr O had three accounts with Chase including a current and a savings account.

Mr O complained to Chase on 3 December 2023 as he hadn't been able to access his accounts since 1 November 2023 and wasn't receiving updates from it. Chase said the accounts were under review.

Chase reviewed the complaint but didn't uphold it. It said that the review was being carried out in line with its processes.

Mr O then brought his complaint to us and said he wanted his accounts to be unblocked. He said he'd also asked for access to his bank statements and had to make a data subject access request to obtain them. He said he suffered inconvenience due to being on hold to speak to Chase for hours and also had to provide new account details to certain parties who he was due to receive payments from.

One of our investigators reviewed the complaint and thought it should be upheld. He said that as Chase wouldn't share its reasons behind the accounts being reviewed and blocked, he couldn't say that this was done fairly. He thought it should pay Mr O £100 compensation for the distress and inconvenience it caused him plus 8% interest on the account balance from the day the accounts were blocked to the day they are unblocked. He also said Chase should unblock the accounts.

Mr O didn't feel that £100 was adequate compensation for the amount of time he had to spend liaising with Chase and making other banking arrangements. He also said that Chase had written to him in the meantime and told him it had decided to close his accounts.

Chase also didn't agree and asked for an ombudsman's decision.

Our investigator went back to Mr O to ask if he had received his funds back after his account was closed but Mr O said he hadn't. Our investigator also told Mr O that he can complain about the account closure separately to Chase and then to us.

Our investigator then wrote to both parties to say that as the account was now closed, he was no longer asking Chase to unblock it. He also said that as the account balance hadn't

been returned to Mr O that interest should be paid from the date it was blocked to the date it is returned to him.

The matter was then 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.

I'd like to clarify that, like our investigator, in this decision I will only be looking at the account block and not the account closure.

Chase has important legal and regulatory obligations it must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It's common industry practice for firms to restrict access to an account to conduct a review on a customer and/or the activity on an account. The terms of the account also permit Chase to block an account. This means Chase is entitled to block and review an account at any time.

I understand Mr O wants Chase to explain the reason it applied the blocks to his accounts. It can't be pleasant being told you are not able to use your accounts and not being told why. But Chase doesn't disclose to its customers what triggers a review of their accounts. It's under no obligation to tell Mr O the reasons behind the account review and block, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr O this information. And it wouldn't be appropriate for me to require it to do so.

However, Chase needs to provide information to this service so we can fairly decide a complaint. Despite being asked by the investigator, Chase has failed to provide information about why it blocked Mr O's accounts. I've considered what Chase has said about why it won't provide further information to our service about the reasons it blocked Mr O's accounts. This service has the power to request evidence of this nature under the dispute resolution rules (DISP) and I'm not persuaded the reasons given by Chase exclude it from complying with these rules. So, in this particular case, because of the lack of information I can't be satisfied that Chase has treated Mr O fairly when it blocked his accounts. Taking this into account, I agree with the investigator that Chase should pay Mr O compensation for the trouble and upset caused by blocking and closing his accounts.

Mr O spent a lot of time liaising with Chase, asking for updates and not being provided with any. And he said he also had to provide alternative account details to other parties he was expecting payments from. Bearing in mind the accounts were under review between November 2023 and March 2024 when upon Chase decided to close the accounts, I think £100 is fair and reasonable in the circumstances.

Mr O has been deprived of funds in his accounts for many months. This is money that he should have had available to him to use as he wanted. I can't say for sure what the specific cost of not having these funds available would be. It will have influenced a whole host of decisions about spending and borrowing over that time. With that in mind I'm satisfied

awarding 8% simple interest on the amount for the period that it wasn't available to Mr O, is appropriate. It is a reflection of the cost of being deprived of these funds. It's also in line with the statutory interest rate on judgment debts.

My final decision

For the reasons above, I have decided to uphold this complaint. J.P. Morgan Europe Limited trading as Chase must pay Mr O £100 compensation for the distress and inconvenience he suffered as a result of his accounts being blocked. It must also pay him back his account balance plus 8% simple interest per year on the account balance from the date the account was blocked to the date it pays him his funds back.

J.P. Morgan Europe Limited trading as Chase must pay the compensation above within 28 days of the date on which we tell it Mr O accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

HM Revenue & Customs requires J.P. Morgan Europe Limited trading as Chase to withhold income tax from the above-mentioned interest. J.P. Morgan Europe Limited trading as Chase should give Mr O a certificate showing how much is taken off if Mr O asks for one.

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

Anastasia Serdari
Ombudsman