

The complaint

Mr Y complains J.P. Morgan Europe Limited, trading as Chase, blocked his accounts and withheld his funds.

What happened

The details of this complaint are well known by both parties, so I won't repeat them again here in detail. Instead, I'll focus on setting out some of the key facts and on giving my reasons for my decision.

In February 2024, Chase blocked Mr Y's accounts and did so without explanation. Mr Y complained. Chase didn't uphold Mr Y's complaint. In short, the key points it made were:

- The accounts were reviewed and blocked to undertake additional checks. This was done in line with the terms and conditions of the account. Chase hasn't made any errors in doing so

Mr Y referred his complaint to this service. One of our Investigator's looked into it, and they recommended it be upheld in part. In summary, the key findings they made were:

- Chase's review and restrictions of the accounts was in line with its obligations and done so fairly
- The closing balance was given to Mr Y in May 2024 after Chase completed its review
- Chase says there was a delay in completing the review. Chase should have released the funds to Mr Y on 1 March 2024. As Mr Y was unfairly deprived of access to his funds from this date, Chase should pay him 8% simple interest until they were released

Mr Y wasn't sure what accounts the 8% simple interest award related to, and how it would be calculated. Our Investigator explained how this would work. Chase didn't agree that it should pay 8% interest on the funds given its concerns.

As there was no agreement, this complaint was passed to me to decide. I sent both parties my provisional decision. For ease of reference, here is what I said:

Provisional decision

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I am planning on upholding this complaint in part. I'll explain why.

Banks in the UK, like Chase, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to

restrict, or in some cases go as far as closing, customers' accounts.

Chase has provided me with an explanation and supporting information as to why it took the actions it did. Having carefully considered this, I'm satisfied Chase reviewed and restricted Mr Y's accounts in line with its obligations.

Mr Y isn't complaining about his accounts being closed, so this isn't something I need to consider. However he is unhappy with how long Chase took to review the accounts.

Chase accepts that due to 'human error' there was a delay with its internal processes. But it doesn't think, due to the nature of its review, that it needs to compensate Mr Y for this.

Chase hasn't provided all the information I'd expect it to do so to help me decide this complaint fairly. But from what it has provided, I think that it could've carried out some due diligence by garnering information from Mr Y about how he was using his account. I think this too added unnecessary delay to the review.

Given Chase say it caused avoidable delay in its investigation, I'm persuaded that it should pay Mr Y compensation for being deprived access to his funds for longer than he should have. I'm also minded to agree, based on what Chase has said, that the funds should have been released on 1 March 2024.

Chase says it returned all of Mr Y's funds to him in May 2024. Mr Y is ambiguous about this as he says he had three accounts, one of which was a savings one. So, to put things right, I am planning on directing Chase to:

- *Pay all funds back to Mr Y in all three accounts if it hasn't done so already*
- *Pay 8% simple interest on any current account balances from 1 March 2024 up until settlement**
- *Pay the prevailing savings rate on any savings account from 1 March until settlement**

Mr Y had at least two other external accounts with other banks – so he still had the use of banking services. He's also said he used quite a large amount of his funds, that were sent to him by his family, for gambling purposes. So I think the impact, in terms of any inconvenience or distress caused, is significantly mitigated.

However, I do accept that Mr Y has spent more time than he ought to have in pursuing the matter with Chase which would invariably have caused him some distress and inconvenience. Because of that I think Chase should pay Mr Y £100 compensation for the distress and inconvenience he's likely suffered.

Lastly, I know Mr Y would like a detailed explanation for why Chase took the actions it did. But Chase is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Chase has provided is information we consider should be kept confidential"

The deadline for both Chase and Mr Y to respond has now passed. Chase hasn't responded. Mr Y accepts what I said I was planning to decide, though he feels more compensation should be awarded.

I will now decide this complaint.

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.

Having done so, and for the reasons in my provisional decision, I have decided to uphold this complaint in part.

I note Mr Y says he feels more compensation for the distress and inconvenience he's suffered should be awarded. But I already explained why I thought £100 was fair compensation - and he hasn't sent me anything new to reconsider and change it.

Putting things right

To put things right, Chase must:

- Pay all funds back to Mr Y in all three accounts if it hasn't done so already
- Pay Mr Y £100 compensation
- Pay 8% simple interest on any current account balances from 1 March 2024 up until settlement*
- Pay the prevailing savings rate on any savings account from 1 March until settlement*

*If Chase considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr Y how much it's taken off. It should also give Mr Y a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons above, I have decided to uphold this complaint in part. J.P. Morgan Europe Limited, trading as Chase, must now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 25 October 2024.

Ketan Nagla
Ombudsman