

## **The complaint**

Miss R has complained about the way J.P. Morgan Europe Limited (trading as Chase) handled a transaction she says she didn't make or otherwise authorise.

## **What happened**

Both sides are most familiar with the case, so I'll summarise what happened in brief.

In late March 2023, Miss R's phone was stolen, and the thief used her Chase passcode to transfer £3,060 away via her mobile app, all but emptying the account.

Miss R complained about the way Chase handled things, such as the time they took and a lack of updates.

Chase held Miss R liable for the payment in dispute, as they couldn't see how the thief knew the passcode if Miss R had kept it safe. They paid her £25 as a gesture of goodwill.

Chase recovered the £3,060 from the receiving bank in May. But they overlooked this and didn't tell Miss R at the time, nor pay the money to her until August. Miss R says she incurred large costs in the meantime.

Our investigator looked into things independently. At their suggestion, Chase paid a further £350 compensation to Miss R, along with the savings interest she'd lost in the three months.

Miss R appealed, arguing that this didn't cover her financial losses or distress. She felt she was owed around £600 to £800 in fees alone. The complaint's been passed to me to decide.

I sent Miss R and Chase a provisional decision on 13 November 2023, to explain why I thought Chase had already resolved the complaint fairly. In that decision, I said:

*First, I understand that Miss R was the victim of a crime here, and so she has my sympathy. I completely appreciate that the fraud caused her a great deal of distress. I'm glad that she got her money back, and hope that the fraudster is brought to justice.*

*I've considered whether Chase should've refunded the disputed payment themselves.*

*Broadly speaking, Chase could hold Miss R liable for the payment in dispute if the evidence suggests that she authorised it, or if she failed to keep her account safe either intentionally or through acting with gross negligence.*

*Chase's technical evidence shows that the payment in dispute used Miss R's genuine app on her registered phone, and the correct passcode. I've not found any evidence of hacking or of the security being bypassed. So I can see that this transaction was properly authenticated.*

*The person using the phone knew Miss R's Chase passcode from the outset. It was not bypassed, could not be obtained from Chase's end, was different to her phone's passcode, and Miss R was clear that she didn't share it with anyone or click the suspicious link she was then sent. So there doesn't seem to be a likely or plausible way that a thief knew the passcode without Miss R's consent. Unless, for instance, Miss R failed to keep her account safe either intentionally or through gross negligence. For example if, despite her best recollections, she kept an accessible record of the passcode with the phone and has since forgotten. And if that was the most likely or plausible possibility, then Chase had reasonable grounds to decline a refund.*

*While I can completely understand why Miss R found the wait most stressful, two weeks was not an unreasonable amount of time for Chase to complete their investigation. And I'm glad to see that Chase were able to recover the money in full for Miss R in the end. But I agree with Miss R that they failed to keep her properly updated. And Chase now accept that they unfairly delayed returning her money to her for about three months.*

*I'm grateful to Miss R for being open and candid with our service about the effect this matter had on her, and for setting out the costs she wishes to recover.*

*When it comes to putting things right, I should first note that it was the fraudster, rather than Chase, who are primarily responsible for the fraud, and it's the fraudster who really owes Miss R the bulk of the damages. Even if Chase had handled things exactly as they were supposed to, this still would have been a highly stressful matter for Miss R. There's only so much of her stress which I can fairly attribute to Chase.*

*I should also explain that Miss R would still have suffered much of the financial losses she's kindly set out. She's asked to be reimbursed for interest at the account's rate, and for losses relating to her credit card, overdraft, a loan, and rent arrears. And I understand why she thought to list these costs. But Miss R could not have kept the full £3,060 in her savings account earning interest, and simultaneously used it to clear £2,600 of credit card debt, and used it to avoid an overdraft debt which went as high as over £1,700, and used it to pay £2,000 of costs instead of borrowing that money, and used it to cover her increased rent. It was not possible to both save the £3,060 and to use it for well over £3,060 of spending.*

*The largest cost Miss R set out was for her credit card interest. She explained she was going to use the money in her savings account to pay off around £2,600 she'd spent on that card for a holiday. I can see Miss R paid for that holiday in February 2023. And she didn't use the money in her savings account to clear that amount at any point between then and the fraud incident in late March. Then after Chase returned the £3,060, from what Miss R sent a few weeks later, she hadn't used it to pay off her credit card then either. So I cannot fairly conclude that Miss R was planning to use the savings to pay off that credit card debt. I'm afraid I should also explain that Miss R could've substantially reduced the credit card losses by transferring the balance earlier than she did, and there is an expectation for customers to try to mitigate their losses.*

*When a bank unfairly deprives a customer of access to their money for a period of time, and it's not clear what they would've otherwise done with that money, we normally either award interest at the account rate (here, around £30), or at the rate of 8% simple per year – the same rate the courts use in similar situations (which would be about £60 here). Alternatively, even if I accepted that Miss R was definitely going to pay off her credit card and that Chase stopped her doing so for three months, and so even if I awarded three months of compound interest at her credit card's rate on the full £3,060, that would come to about £200.*

*Here, Chase have already paid Miss R £375 (£25 + £350), plus her lost account interest for the three months they delayed her refund. That will more than cover any likely financial impact their three month delay had, and I find that it's enough to acknowledge the extra stress they added for Miss R – bearing in mind that it's the fraudster who caused the bulk of the stress.*

*So while I know this will come as a disappointment for Miss R, and while it is not my intention to disappoint her, I find that Chase have already paid her enough to put right what Chase are responsible for themselves.*

I said I'd consider anything else anyone wanted to give me – so long as I received it by 27 November 2023. But neither Miss R nor Chase sent me anything new to consider.

### **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.

Neither side have sent me any new evidence or arguments. So having reconsidered the case, I've come to the same conclusion as before, and for the same reasons as set out in my provisional decision above.

### **My final decision**

I conclude that J.P. Morgan Europe Limited have already resolved this complaint in a fair way. I do not make any further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 27 December 2023.

Adam Charles  
**Ombudsman**