

## **The complaint**

Mr K complains that J.P. Morgan Europe Limited, trading as Chase, blocked transactions he was attempting to make.

## **What happened**

Mr K had an account with Chase which included a round-up feature – his purchases were rounded up to the nearest pound and the difference was placed into a savings account.

On 11 December 2022 he was attempting to purchase Christmas postcards via an online retailer using his Chase account. Mr K explained that the online retailer required he pay individually for each post card.

Chase declined some of Mr K's transactions and so he contacted it to confirm the transactions were genuine. He said he also explained that he would need to do more of these transactions in the coming days.

On 14 December 2022 Mr K tried again to purchase postcards for his family and friends. However, some of his transactions were blocked by Chase and so he complained.

When raising the complaint, the Chase adviser told Mr K that these smaller purchases were abusing the round-up facility available on his Chase card. They advised Mr K that if he continued to use the card in this way his account would be closed. Mr K was unhappy with the adviser's comments and complained about this too.

Chase didn't uphold Mr K's complaint about the declined transactions. It said that the terms and conditions of the account allow it to screen every payment. However, it upheld Mr K's concerns over the adviser's comments, explaining that it hadn't meant to imply Mr K was intentionally breaching the terms and conditions. It awarded Mr K £50 compensation for this.

Mr K accepted Chase's response in relation to the adviser's comments but brought his concerns about the declined transactions to our Service. Mr K said he'd forewarned Chase and it had confirmed to him the issue wouldn't happen again, so he didn't think its declination of his transactions was reasonable. Mr K told us that he couldn't send the majority of his Christmas postcards in time to reach his friends and family. In resolution to his complaint Mr K asked for a payment of £1,000. He described the inconvenience of having to contact Chase; the time wasted drafting postcards; the embarrassment caused; the sorrow of his friends and family who did not receive a card in time; the time wasted making the complaint; and the stress caused by the entire issue.

Our Investigator looked into Mr K's concerns but didn't uphold his complaint. They said that the checks were random and a security measure to prevent fraud, so they didn't think Chase had acted unfairly.

Mr K disagreed and stressed that Chase had confirmed to him the issue was resolved following his initial contact on 11 December 2022. Our Investigator agreed that he was given

incorrect assurances and asked Chase if it would award any further compensation but Chase said the £50 it had already given was sufficient in the circumstances.

The complaint was then passed to me to consider. I issued a provisional decision which didn't uphold the complaint. In brief, I said that the block of the transactions were reasonable and that I didn't think Chase had given incorrect assurances.

Chase didn't provide any further representations in response to my provisional decision. Mr K said he disagreed. He felt there was an expectation that he would interpret the ambiguous wording of Chase and that he would understand transaction screening and automatic flagging which he considered unreasonable and beyond comprehension.

I am now in a position to issue a final decision.

### **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.

The terms and conditions of Mr K's account state:

*'we'll generally make a payment from your account when you ask us to, but we won't make a payment if:...we reasonably believe you haven't authorised the payment or that your account isn't secure; we reasonably suspect fraud or criminal activity on your account.'*

Chase has explained that Mr K's transactions were automatically flagged for security checks due to multiple low-value transactions being made in quick succession. It said this spending pattern was not classed as normal for everyday goods and services.

Unusual patterns of spending can be a potential indicator of fraud. And so I think it was reasonable that Chase blocked some of the transactions, requiring additional checks.

Of course, the crux of Mr K's complaint isn't the initial block on the payments, but the fact further payments were blocked after he'd alerted Chase to what he was buying and what the transactions would look like. But simply because Mr K alerted Chase to how he would be using the card, doesn't mean Chase wasn't entitled to carry out further checks as outlined in the terms and conditions. It might help Mr K to understand that these systems are automated and in place to protect customers. I'd like to stress to Mr K that this isn't knowledge I would expect him to have. I'm explaining this to him within this decision so that he understands why Chase took the action it did and why I have reached the decision I have. Ultimately, my role is to look at whether Chase has acted fairly in the circumstances.

Mr K also feels he was given assurances by Chase that this wouldn't happen again – so he feels he was lied to. When Mr K contacted Chase on 11 December 2022 Chase told Mr K that the transaction *'got declined multiple times. This is because of some security checks layered for safeguarding the account of our customers. Rest assured that you will now be able to use your card for this transaction and seamlessly for others.'*

I can see why, reading this, Mr K thought he would be able to use his card for his future similar transactions without incident. But I think this is a case of ambiguous wording rather than an error on Chase's part. This comment wasn't inaccurate at the time it was made – Mr K was able to use his card seamlessly for other transactions at that point as the security measures had been lifted. But he could only use it seamlessly unless or until the system flagged a future transaction as a potential security concern. This is an ongoing possibility for any card user at any point and so it's also not something I would expect Chase to flag every

time it resolves a block. This means I don't think the comment made by the adviser was unfair. That being said, I can see how it felt misleading to Mr K and with the benefit of hindsight it would have been better if Chase had explained to Mr K that it couldn't prevent the system blocking future similar transactions regardless of the advance warning Mr K gave it. So, I don't expect Mr K to have interpreted this ambiguous wording, my point here is that I don't think what Chase said was unreasonable.

Whilst I can see why Mr K found this entire experience frustrating, having carefully considered things I'm not persuaded Chase did anything wrong and for this reason I won't be asking it to do anything further.

### **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 K to accept or reject my decision before 20 September 2023.

Jade Cunningham  
**Ombudsman**