

## **The complaint**

Mr M complains that J.P. Morgan Europe Limited trading as Chase (“Chase”) won’t refund money he lost after he fell victim to a scam.

## **What happened**

The background to this complaint is well known to both parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

Mr M was looking to book a flight and came across what he thought looked like a good deal on a well-known social media marketplace. Mr M has explained that he’d purchased flights on the marketplace before, but through a different supplier, and hadn’t had any problems. But unknown to him at the time, the supplier he was now dealing with was not legitimate and he was communicating with fraudsters.

In order to purchase the flights, Mr M was instructed to make payment to a third-party money remittance firm using his Chase debit card. Mr M went ahead and, on 14 February 2023, made a payment as instructed for £500. He was expecting to be provided with the tickets as soon as he’d sent the payment, but the fraudsters failed to send them and Mr M was then unable to get in contact with them when he tried to call them.

Mr M raised the matter with Chase the following day. Chase looked into Mr M’s complaint, but didn’t uphold it. In summary, this was because it didn’t consider there were any chargeback rights. It also didn’t consider Mr M had carried out enough due diligence ahead of making the payment.

Unhappy with Chase’s response, Mr M brought his complaint to this service. One of our Investigator’s looked into things but didn’t think the complaint should be upheld. In summary, our Investigator didn’t think the payment was particularly unusual or suspicious, so he didn’t think Chase had missed an opportunity to identify that the payment was being made in relation to a scam. Our Investigator added that he also didn’t think there was any chargeback rights, as the service was completed as directed by Mr M.

As no agreement could be reached, the case was passed to me for 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.

I’m aware in his submissions Mr M has referred to other situations, which he considers are similar to this, where banks have refunded their customers. But I would point out that, while on the surface complaints may seem quite similar, each complaint is determined by its own individual circumstances. Here, as I’m required to do, I’ve looked at the individual circumstances of Mr M’s complaint.

I'm very sorry to hear about what's happened to Mr M. It's always an upsetting experience to lose money to a scam, and I can understand why he wants to recoup the money he has sadly lost.

As a starting point, banks are expected to process the payment instructions of their customer. But as a matter of good industry practice, where there are grounds to suspect that the payment instruction might be likely to result in financial detriment to a customer through fraud or scam, then I'd expect a bank to delay executing the instruction until the bank can reassure itself that such harm will not result.

With this in mind I've considered whether the payment Mr M made was one Chase should have had particular concern about. In doing so, I'm mindful that a Bank has a difficult balance to strike in fulfilling their obligation to process payments in line with customer's instruction against identifying, and intervening in, potentially fraudulent payments.

Having reviewed Mr M's account activity in the months leading up to the scam, I don't consider this payment, for £500, would have appeared as particularly unusual or suspicious when compared to how the account typically ran. So I'm satisfied that this payment would not have appeared to Chase as likely to be fraudulent or part of a scam. This means I haven't found there are grounds for me to conclude Chase ought to have delayed fulfilling its primary obligation to make the payment in accordance with Mr M's instructions. It follows I don't think Chase caused Mr M's loss in failing to intervene when he made the payment.

I've gone on to think about whether Chase could have recovered any of the money Mr M had sent. As he made the payment using his debit card, the only potential recovery option would have been through the chargeback scheme. A chargeback is a voluntary scheme run by card providers. It arbitrates on disputes between a customer and a merchant where they haven't been able to resolve matters themselves. The arbitration process is subject to the rules of the scheme and there are only limited grounds on which a chargeback can be raised. Chargebacks raised outside of these grounds are deemed invalid. It's evident here that the card payment went to a genuine money transfer firm who, it can be said with some degree of certainty, will have provided the service of transferring, or otherwise making available, money to the fraudsters. So, I'm afraid, there is no grounds to suggest that a chargeback dispute would have been successful and I don't think Chase made a mistake by declining to pursue a chargeback claim here.

Overall, taking all of the above into account, I can't say that Chase ought to have questioned the transactions and, while I have every sympathy for Mr M, I can't fairly and reasonably hold Chase responsible for his loss.

### **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 M to accept or reject my decision before 9 January 2024.

Stephen Wise  
**Ombudsman**