

## **The complaint**

Mr S complains that J.P. Morgan Europe Limited, trading as Chase, didn't refund him for a payment he disputes.

## **What happened**

Mr S disputes a bank transfer of £3,727.93 that was made from his Chase account in February this year. He says he didn't make the transfer and doesn't know who the payee is. Mr S complained to Chase after it didn't agree that the transaction was unauthorised. Chase stood by its position, so Mr S asked this service for an independent review of his complaint.

Mr S' submissions include:

- On the 5<sup>th</sup> or 6<sup>th</sup> of February, Mr S noticed a problem with his mobile phone, which he uses to access his account via mobile banking. Mr S says it seemed like his phone reset itself, deleting several apps. He spent a few days trying to reinstall the Chase app, verifying his ID in line with Chase's requirements, before successfully gaining access again on 11 February.
- At this point he noticed a transfer that he didn't recognise. He thinks his phone may have been hacked by a third party.
- Mr S told Chase that he has no idea how someone was able to carry out this transaction as he's never shared any log in information, nor has he recorded these details anywhere. He adds that he hasn't received any suspicious communications and has always been in possession of his card and phone.
- Mr S holds other accounts with Chase and there were no transactions that he doesn't recognise made from these accounts around the same time.
- Mr S says that Chase is liable for allowing the payment, especially given the value of it wasn't typical of his banking activity. Mr S adds that Chase's refusal to refund him has caused him stress and impacted his health.

Our investigator concluded that Chase had acted fairly as she couldn't see how a third party could've carried out this payment without Mr S' authorisation. The investigator also couldn't see how Mr S' mobile phone and log in details could've been compromised. Mr S doesn't agree, so the complaint has been 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.

Chase can generally only hold Mr S responsible for the disputed payments if the evidence suggests it was more likely than not that he authorised them. Based on what I've seen, I think it's most likely that Mr S, or someone he authorised, carried out this transaction – I'll

explain why.

Mr S thinks his phone was hacked by a third party, who he thinks is also responsible for the disputed payment. However, the information and records Chase has sent us make me think this is unlikely.

Chase's records show that Mr S' device had been removed from mobile banking on 7 February, which coincides with what Mr S says about losing access to the mobile banking app. The last log in before the device was removed was around the same time the disputed payment took place. Chase says the disputed payment was authenticated using Mr S' passcode and I'm satisfied that its records demonstrate this. Based on Mr S' submissions, I can't see how anyone other than Mr S himself would've known or had access to his passcode.

Moreover, Chase's records indicate that the same device was used for the disputed payment and the online banking access that took place after Mr S says he regained access to the app. So, as the only person with access to Mr S' phone and passcode, I'm of the view that it's most likely that he authorised this payment.

The details of the payment itself suggests it's unlikely that an unknown third party carried out the payment without Mr S' consent. The value of the payment is for a distinctly specific amount, and I understand a balance of around £260 remained in Mr S' account. Mr S also held other accounts with Chase at the time, all of which could be accessed via his mobile banking. No funds were taken from these other accounts either.

So, if as Mr S says, someone hacked into his phone and had unauthorised access to his mobile banking, it seems likely to me that the third party would take steps to take as much as possible, rather than leave funds available in Mr S' accounts. Given this didn't happen, I'm not persuaded that the disputed payment was unauthorised. Moreover, Mr S confirmed that he hasn't clicked on any suspicious links, he's received no suspicious contact via his phone, nor has he visited any suspicious websites. Mr S confirms he's always been in possession of his phone too.

It's also unlikely that an unauthorised individual was able to carry out this transaction without having access to Mr S' phone, his passcode and the Chase app. Nor have I seen anything that suggests this information was gleaned from him another way. So I can't see that there's a point at which his phone was compromised – which makes it difficult for me to fairly conclude that Mr S' phone was indeed hacked as he says it was.

Mr S says Chase should've noticed that the payment wasn't typical of his banking activity and stopped it from being processed. I don't agree. Although the amount may have been unusual for Mr S, I'm persuaded the activity wasn't unusual enough for Chase to have intervened. And, as I said earlier, it seems Mr S authorised the payment using his passcode – which is only known to him. I've also seen nothing that makes me think there was cause for Chase to investigate this payment further before it was processed. So I wouldn't expect Chase to have stopped this payment or carry out extra checks.

Overall, it seems more likely to me that Mr S authorised the payment he now disputes. I acknowledge his concerns that his phone was hacked, but the information I've seen doesn't persuade me that this is what happened.

### **My final decision**

For the reasons above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 30 October 2023.

Abdul Ali  
**Ombudsman**