

The complaint

Mr and Mrs V are unhappy that Metro Bank PLC ("Metro Bank") hasn't reimbursed them for all of their loss after Mr V was the victim of a scam.

What happened

On 28 December 2020 Mr V received a call from scammers claiming to be calling from his internet provider. They knew his name and that he was a customer of this particular provider. They asked him if he'd been experiencing connection issues, which he had, and he was told this was the result of hackers accessing his network.

During the call, the scammers told Mr V they were transferring him to someone at Metro Bank. They convinced him to download an app which allowed the scammers to access his phone, although Mr V says he didn't realise this at the time.

Mr V says the scammers talked him through what to do and while he was carrying out the transactions started giving him further details relating to his online banking, which he didn't realise they could see, and further convinced him he was genuinely speaking to Metro Bank.

Mr V was told his and Mrs V's joint bank account was at risk and he'd need to transfer their money to a 'safe account' in order to protect it. He told Metro Bank he was told by scammers his network had a virus that could allow people to access his account and he had to empty his bank account in order to remove it. Mr V has said he asked why he couldn't move the money to a different account, they told him this wasn't possible, it would only work if he sent his money to the specific accounts they told him to. During the phone call, Mr V made eight separate transfers of £2,500 to several different accounts provided by scammers.

Metro Bank refunded 50% of the payments to Mr V. It acknowledged it hadn't provided effective warnings against continuing with the payments he was making. But, it didn't think Mr V had a reasonable basis for believing what the scammers had told him. So it felt he was partly liable for the loss. It felt he should've done more to check he was genuinely speaking to his internet provider.

I issued a provisional decision in April 2022 and didn't uphold the complaint. In summary I said that:

- I was satisfied the payments Mr V made to scammers fell under the Lending Standards Board Contingent Reimbursement Model (the CRM Code) which requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams like this, in all but a limited number of circumstances.
- Metro Bank had accepted it was liable for 50% of Mr V's loss because it hadn't provided him with any effective warnings as defined by the code. Because it had already accepted liability regarding this point I didn't consider it any further.
- The code also sets out that one of the exceptions to reimbursement is if Mr V made the payments to the scammers without a reasonable basis for believing that: the

payee was the person the customer was expecting to pay; the payment was for genuine goods or services; and/or the person or business with whom they transacted was legitimate. Metro Bank felt it had demonstrated Mr V didn't have a reasonable basis for belief in this case and having considered the circumstances I agreed.

- The scammers told Mr V they were calling from his internet provider, but aside from his name didn't have any personal information about him as I thought a reasonable person would expect a company they were a customer of to have. Mr V has said he told the scammer he wanted to contact his internet provider directly to verify what he was being told. He said he didn't do this because the scammer insisted they were his internet provider and Mr V accepted this despite them not providing any further personal information or explanation. The scammers told Mr V they could see his bank accounts were at risk but I didn't think they could plausibly explain why an internet provider would have access to this information. I also didn't think some of the other things they told him were plausible, such as, they could only assist with the virus connected to his network if his bank account had been emptied.
- The scammer then claimed they were passing Mr V through to someone at his own bank to talk to, which I thought ought to have seemed odd to Mr V given it's a separate company. Mr V then discussed his bank account information with this second scammer without going through any of the security measures I thought a reasonable person would expect to go through when speaking to their bank. Mr V was told he had to move money in several, separate transactions to different accounts and had to download software, seemingly with no explanation, which he accepted. And, although Mr V says he asked why he couldn't move money to a separate account of his own, he was told it had to be the account provided without a plausible explanation.
- Although I understood Mr V had been unwell and considered himself vulnerable, I felt there were a number of different factors that ought reasonably to have concerned him and prompted him to check what he was being told before handing over his money. So I agreed he was liable for 50% of the loss.
- That said, I also felt Metro Bank should've recognised this type of repeated transaction, to multiple new payees in a short period might be an indication of fraud and it ought to have intervened from the second payment Mr V made to scammers. Had it done so I was satisfied it likely would've prevented the payments being made from that point, so I felt additional interest was due.
- I felt Metro Bank had done everything I would've expected in trying to recall the funds when it was informed of the scam but unfortunately most of the money had been moved on and couldn't be returned.

Metro Bank responded to my provisional decision and said it had no further comments to add. Mr and Mrs V didn't respond.

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.

As neither party have made any comments or provided any new information for me to consider, I see no reason to depart from the findings in my provisional decision which I've summarised above.

- Metro Bank has already refunded to Mr and Mrs V 50% of all payments made to the scammers so it doesn't need to do anything further regarding their actual loss as I'm satisfied they share liability for this.
- If it hasn't already, Metro Bank needs to return the £4.61 it was able to recover from the beneficiary banks to Mr and Mrs V.
- Interest should be paid from the second payment Mr V made onwards at the rate applicable to account the money was moved from, from the date the payments were made to the date of settlement.

My final decision

I uphold this complaint in part. Metro Bank PLC needs to make the award outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs V to accept or reject my decision before 13 June 2022.

Faye Brownhill
Ombudsman