

## **The complaint**

Mr A complains in his capacity as a director of limited company 'D'. He's unhappy Metro Bank Plc won't refund D £400 after a cash machine failed to dispense the correct amount.

## **What happened**

On 3 September 2021, Mr A attempted to withdraw £500 from an Automated Teller Machine (ATM) outside a different bank. He says the ATM only dispensed £100 but £500 was debited from the business bank account.

Mr A says he went into the bank where the ATM was located, and he was asked to contact Metro Bank to log a dispute. Mr A called Metro Bank shortly after and he was told to wait 48 hours for the funds to be returned to the account.

When the funds weren't refunded to D, Mr A contacted Metro Bank again on 10 September 2021. He was informed that it could take up to 21 days for the dispute to be resolved. Unhappy with this, Mr A raised a complaint.

Metro Bank agreed that while they told Mr A to wait for up to 48 hours for the ATM to rectify the situation, he wasn't told what to do, if the money wasn't refunded. They acknowledged that Mr A wasn't given sufficient detail on how the dispute case worked. They provided him with the explanation of the process and asked that he wait for the 21 days to complete. They also apologised, passed feedback and credited £25 to the account.

On 23 September 2021, Metro Bank wrote to Mr A explaining they'd investigated the dispute, but the full amount was dispensed from the ATM. Mr A then referred his complaint to our service.

Our investigator said Metro Bank hadn't provided our service with the evidence we'd asked for, including purge bin records, ATM service and fault log record, ATM balancing reports and details of the specific notes dispensed. She upheld the complaint and asked Metro Bank to refund D and add 8% simple interest to this amount. She also asked them to pay a further £75 compensation for the service they gave while handling the claim.

Metro Bank disagreed and asked for an ombudsman's decision. They explained the ATM journal which was provided confirms that the transaction was authenticated, that there were no issues prior to or after D's transaction and that £500 was dispensed. They said the rules don't indicate the evidence the investigator had asked for was required.

## **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.

Metro Bank have provided us with a copy of the ATM journal roll showing D's transaction, as well as some transactions made shortly before and after. This shows that D's cash withdrawal and the other transactions around the time were completed successfully.

I've also seen the message Metro Bank received from the ATM owner which confirms that the ATM had £40 more than it should when it was checked on 15 September 2021, which covered the period in question.

I appreciate Metro Bank have followed their chargeback process which doesn't require them to request any further information. However, I don't think this limited evidence is enough to say that the ATM correctly dispensed the amount Mr A requested.

Metro Bank haven't been able to provide evidence to show:

- The breakdown of notes dispensed to Mr A.
- The disputed amount of £400 hadn't gone into the purge bin.
- The ATM balanced on 3 September 2021.
- There weren't any reported problems with the ATM around the time of the transaction.
- There were no other claims raised for transactions completed on the same day.
- The £40 excess recorded on 15 September 2021 didn't affect D's transaction.

In the absence of this information, I can't be certain that the ATM correctly dispensed the cash to Mr A. I think it's reasonable to expect Metro Bank to have carried out more enquiries with the ATM owner, particularly since they were aware that the ATM didn't balance around the time of D's transaction.

After weighing up the available evidence, I'm not persuaded that I can safely say that the £500 Mr A requested was correctly dispensed. I say this because we don't have evidence to show the ATM balanced on the day of D's transaction. And the ATM owner has confirmed on 15 September 2021, that there was an excess of £40 for the period in question.

This means there was a discrepancy with the machine around the time of D's transaction. Although the excess is for an amount much less than D's claim, there isn't sufficient evidence to show which transaction the excess related to.

I also can't rule out the possibility that there was a problem or some type of error with the ATM that affected a number of transactions, including D's which may have amounted to the £40 excess.

Mr A's testimony has been consistent throughout – he's been a regular user of the ATM and has told us he didn't notice anything suspicious around the time of making the transaction. He took the actions I'd expect following the withdrawal which adds to his credibility. He acted quickly and spoke to the bank where the ATM was located as well as contacted Metro Bank within five minutes of making the cash withdrawal.

All things considered and on balance, I think it's more likely than not that Mr A didn't receive the money he requested from the ATM, and it follows Metro Bank should refund D £400.

Metro Bank have already accepted that the level of service they gave was sub-standard. They agreed they hadn't provided sufficient detail to Mr A regarding how an ATM dispute works, the timescales involved and the actions he needed to take.

I think Metro Bank have taken some steps to fairly put things right here by apologising, explaining how the process works and passing feedback to their relevant teams. However, I don't think £25 paid as an apology goes far enough to reflect the inconvenience caused to D.

Mr A had let Metro Bank know that he required these funds for expenses and asked them for an explanation of why D couldn't be refunded immediately. I think Metro Bank missed an opportunity to clarify how ATM disputes work despite quite a lengthy call. Mr A not being made aware of the process and timescales involved when raising the dispute would've caused D a greater level of inconvenience as it limited Mr A's ability to plan and mitigate the situation effectively.

Taking this into account, I think £100 in total would be fair and reasonable in the circumstances to reflect the inconvenience caused.

In summary, to put things right, Metro Bank should:

- Refund £400;
- Add 8% simple interest per year to this amount from the date of the transaction to the date of settlement;
- Pay £100 compensation in total for the inconvenience caused

### **My final decision**

For the reasons explained, my final decision is that I uphold this complaint and require Metro Bank Plc to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 12 January 2023.

Ash Weedon  
**Ombudsman**