

## **The complaint**

Ms D is unhappy Metro Bank PLC hasn't reimbursed funds she lost to a safe account scam.

## **What happened**

On 5 January 2022, Ms D received a call from someone she believed was Metro. They convinced her that her account was compromised, and she needed to move her funds. Ms D was sent a text with a link to re-register for her Metro account and while on the phone she understood that she was providing information so a new, secure account could be set up for her.

Ms D now understands that by following this link and the steps on the webpage, she gave the scammers access to her bank account. At the time she thought it was Metro who had access and she was agreeing for them to make the payment in question to protect these funds.

Ms D reported the scam to Metro the next day when the transferred funds didn't appear in her account. She went into her local Metro branch and spoke to a staff member there about what had happened. And then had a call with Metro about the scam on 14 January 2022 and it was left Metro would investigate. Metro called her back to discuss the scam and Ms D returned this call on 18 January 2022, but didn't want to speak to the same agent. She asked if someone else could look at her case and the agent said no, so she said she would be raising a complaint and would continue the case in writing.

Metro issued a final response to her complaint in July 2022. It said that it wouldn't be upholding Ms D's complaint. It said the fraud team needed more information to take matters further. Ms D then asked our service to continue with its investigation. Our investigator upheld Ms D's complaint. Metro asked for an ombudsman to review this outcome.

## **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 has asked for a final decision on this case as it doesn't agree with our opinion, due to the fact it says it wasn't able to complete an investigation. It hasn't provided any merits reasons why it disagrees with the outcome itself, but did say to us its fraud team considers no refund is due, suggesting they did investigate.

Ms D went into a Metro Bank branch as well as having a call with Metro about what happened to her. So while I accept she didn't want to continue with the call on 18 January 2022, I think Metro had enough information to complete an investigation. At this time it chose not to investigate based on the information it did hold and just asked Ms D to contact it again to provide more information.

Since then we have provided Ms D's complaint form and our assessment on the case. Metro hasn't shared any further investigation it's completed into this case, but as the time it has to

consider the complaint has passed, I'm satisfied it is appropriate for our service to issue a decision.

The payee name used for the scam payment was Ms D's business. She doesn't hold a business account with the bank this payment went to, so I'm satisfied she didn't receive these funds, but the scammer cleverly used her business name for the payment.

I can see from Metro's file that it thinks it's most likely Ms D has authorised the £1,225 payment, but has fallen victim to a scam. And I agree. It's clear from her call with Metro that's she's fallen victim to a safe account scam and has agreed for her funds to be moved to another account in order to protect them. I don't think Ms D is arguing that this transaction is unauthorised, she clearly says in the call that the expected payment hasn't arrived in her account. So she was expecting for this money to be moved, but her issue is it hasn't gone to her and instead was paid to someone else's account with another bank.

Metro is a signatory of the Lending Standards Board Contingent Reimbursement Model Code ('the code') which requires firms to reimburse customers who have been the victims of APP scams like this in all but a limited number of circumstances. So I've considered whether Ms D is due a refund.

I consider the key, limited circumstances I need to set out in this case are: where Ms D wouldn't be due a refund as Metro showed her an effective warning she ignored; or where she had no reasonable basis for belief in what was going on.

Our investigator focussed their assessment on Ms D's basis for belief, which isn't unreasonable considering Metro hasn't argued it did show Ms D an effective warning. It has in fact told us it can't determine which warning it showed her when the payment was made, so provided seven different ones in use at the time of the payment.

Considering this, I don't think Metro could successfully apply this exception, as the code sets out that the warning should be specific, tailored to the risk identified. Many of these don't relate at all to the situation Ms D was in and if it doesn't know what she saw, I can't see how it could say what it did show was an 'effective warning' in this case.

I've then considered whether Ms D had a reasonable basis for belief, as set out in the code. In her call with Metro, Ms D explains the way the caller convinced her they were Metro, explaining about a new direct debit she did have and asking her to complete security steps akin to those she did complete with Metro. The caller also sent her a text message with a website to set up her new secure account. I can see that this text appeared in the same chain as genuine messages from Metro – as the passcode later needed to make the payment in question is shown below the scam link.

Taking into account Ms D's testimony and the evidence I've seen; I do consider she had a reasonable basis for belief – and so the exception relating to this also doesn't apply. There are other exceptions listed in the code, but I don't consider I need to cover them here as they aren't relevant to Ms D's situation – and there's no allegation she was grossly negligent in any way. As no exceptions apply, she is due a full refund under the code.

### **Putting things right**

I direct Metro Bank PLC to:

- Refund Ms D the £1,225 lost as a result of this scam
- Pay 8% simple interest on this refund from the 18 January 2022, when it closed her

claim until the date of settlement

**My final decision**

For the reasons set out above, I uphold Ms D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 3 March 2023.

Amy Osborne  
**Ombudsman**