

## **The complaint**

Mr M complains Metro Bank PLC hasn't refunded transactions he's disputed and fees he's paid as a result.

## **What happened**

Mr M has a Metro Bank card and a debit card.

Mr M was abroad in October 2022 and stayed with a friend who he says he's known for over 10 years. He says he used his card for three small purchases whilst he was abroad and that he tried to use his card in the airport on the way back, but it didn't work.

Mr M says he subsequently discovered over £18,000's worth of transactions had gone out of his account. He contacted Metro Bank disputing these transactions.

Mr M told Metro Bank that he believed his friend had repeatedly taken his card from the hotel safe they shared, used it, and then replaced it. He said that he wouldn't have noticed this given that he's blind. He told Metro Bank that he'd been in a relationship with his friend and that he was treated as family – that he still spoke to his friend's daughters and that he hadn't reported the matter to the police. Metro Bank said it would investigate.

Metro Bank didn't get back to Mr M until January 2023 – it apologised for the delay in doing so and offered £40 in compensation. But Metro Bank also said that the disputed transactions were a civil matter as Mr M knew the person who was responsible, so it wasn't going to refund the transactions.

Mr M complained about Metro Bank's handling of his disputed transactions claim, including the fact that it had allowed another £3,000 plus worth of transactions to go out after he'd reported them, the way one individual in particular had spoken to him and the outcome of the claim itself. He was also unhappy that Metro Bank hadn't texted him to check if any of the transactions were genuine. He complained to us.

One of our investigators looked into Mr M's complaint and upheld it saying that Mr M hadn't authorised the transactions. Mr M was happy with our investigator's recommendations. Metro Bank wasn't, saying that it couldn't rule out the possibility that Mr M had given his friend permission to use his card and PIN as he hadn't reported the matter to the police, had a long-standing relationship with them and was still in touch with their daughters. Metro Bank also said that Mr M would have spotted the transactions sooner if he'd used online banking.

Metro Bank asked for an ombudsman to look into this complaint. So, that's what I've done.

## **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 satisfied that Mr M had his card repeatedly taken and replaced whilst he was away abroad and that he didn't notice this as he's blind and it was a friend who was taking his card

from a hotel safe they were sharing. Nor do I think Mr M was negligent – he'd known the person in question for over 10 years and was treated like family. In short, I'm satisfied that the transactions Mr M disputed weren't authorised by him.

Metro Bank told Mr M that it wasn't going to refund the disputed transactions because he knew the person who had carried them out, so the issue was a civil matter. And it took into account the fact that he was still speaking to his friend's daughters and hadn't reported the matter to the police. I can see what Metro Bank was thinking here, but I don't agree what it said was fair. I'll explain why.

Metro Bank ought to refund transactions that it hasn't evidenced are authorised given the Payment Services Regulations. The Payment Service Regulations don't say that a payment service provider doesn't have to do so where the payment service user knows the person who has carried out the transactions or where they haven't reported the matter to the police. So, I don't think Metro Bank acted fairly when it refused to refund the disputed transactions for those reasons. Nor do I agree that this shows Mr M gave his friend permission to use his card and PIN. I'm satisfied, based on the evidence, that Mr M was unaware of the activity on his account at the time and was genuinely shocked and upset when he discovered what had happened. In the circumstances, I agree with our investigator that Metro Bank should restore Mr M's account to the position it would have been had the transactions not occurred.

### **Putting things right**

Metro Bank should refund all of the transactions Mr M disputed – in total he disputed 37 transactions worth just over £19,000 – together with the fees he was charged for those transactions to be processed – worth just over £420. In addition, Metro Bank should pay 8% simple interest on these refunds from the date of payment to the date of settlement. We've sent Metro Bank a list of the payments and fees in question – totalling £19,500.33.

### **My final decision**

My final decision is that I'm upholding this complaint and requiring Metro Bank PLC to refund all of the transactions Mr M disputed together with the fees he was charged for those transactions to be processed. In addition, I'm requiring Metro Bank PLC to pay 8% simple interest on these refunds from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 May 2023.

Nicolas Atkinson  
**Ombudsman**