

## **The complaint**

Mr W complains that Metro Bank PLC ('Metro') won't refund the money he says was lost as the result of a scam.

## **What happened**

Mr W says he made an agreement with his friend (who I'll refer to as M) to become a joint owner of M's mother's house – based on Mr W making a payment of £110,000. Mr W says M showed him a letter from a law firm in relation to conveyancing of the property and pressure was put on Mr W to make the payment quickly to avoid paying £25,000 in stamp duty. As a result, Mr W made a transfer of £110,000 to M on 30 June 2021.

Mr W says that he was expecting the property deed to be updated to include his name as a joint owner, but this didn't happen, and he never received any paperwork. Mr W says he contacted M and his mother about the transaction, but they have stopped communicating with him.

Mr W raised a fraud claim with Metro in May 2023, asking Metro to refund him. Metro declined to refund Mr W saying the payment forms a civil dispute between Mr W and M.

Mr W wasn't happy with Metro's response, so he brought a complaint to our service.

An investigator looked into Mr W's complaint, and asked Mr W to provide evidence of his communication with M about the property purchase, as well as a copy of the letter from the law firm that Mr W saw when he made the payment. Mr W said the law firm wouldn't provide a copy of the letter as he isn't a client of theirs, but he has provided some emails from May 2023 with M.

Ultimately the investigator didn't uphold Mr W's complaint, saying there wasn't any evidence that Mr W made the payment as the result of a scam.

Mr W disagreed with the investigator's opinion and asked for an ombudsman to review the case.

## **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.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

In broad terms, the starting position in law is that Metro are expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations (PSR's).

Based on the evidence that Mr W has provided, I'm not satisfied that I can fairly ask Metro to refund Mr W. I'll explain why.

*Has Mr W evidenced he was the victim of a scam*

I can only consider Metro liable for Mr W's loss if I'm satisfied that he was the victim of a scam. I can't fairly ask Metro to refund Mr W if, for example, he made a loan to someone and they defaulted on the repayment of that loan, or if he made an investment and the business or firm he invested in financially failed.

Mr W has been unable to provide any evidence that confirms the agreement he made with M, any documentation or paperwork in relation to the property purchase, or any discussions that he had with M at the time he made the payment. Mr W has provided some emails between himself and M, however these are dated May 2023 – which is nearly two years after he made the payment.

Mr W says all of the discussions with M were done in person, and that he wasn't given a copy of the letter M showed him in June 2021 from the law firm. Mr W says he contacted the law firm who were named on the letter, but they won't provide him with any information or a copy of the letter as he isn't their client.

Unfortunately, the only evidence I currently have about the deal Mr W made with M is Mr W's testimony, and I'm not satisfied that is enough for me to safely conclude that he made the payment as the result of a scam.

The emails dated May 2023, don't support Mr W's testimony. In the emails, M provides other reasons why Mr W transferred the money to him, which are unrelated to a property purchase. I'm not saying that what M has said is true, however it doesn't provide any information in support of Mr W's claim.

It's also unclear why Mr W would make a payment to M, rather than to the law firm that were involved in the transfer of the property. Or, why Mr W wouldn't have sought independent representation for the conveyancing, or at least requested formal documentation of what was being agreed with M and his mother - especially considering the size of the payment Mr W was being asked to make. Mr W says that he trusted M and M's mother because he had known them for over 20 years, however, Mr W has also referred to M having previously committed fraud in another country.

Based on the evidence Mr W has provided, I'm not satisfied that I can safely conclude that he was the victim of a scam.

*Should Metro have prevented Mr W's loss*

There is an obligation on Metro to be on the lookout for, and to protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character. In situations where potential fraud is identified, I would expect Metro to intervene and attempt to prevent losses for the customer.

The payment Mr W made was significant in value and it was made in a branch of Metro. Metro say they asked Mr W questions about the payment and were told that he was making the payment to his solicitor for the purchase of a property. Based on the size of the payment, I would've expected Metro to have asked Mr W open and probing questions to ensure he wasn't potentially the victim of fraud. I can't see that Metro did this.

But, based on the limited information that we have available, I'm not satisfied that I can fairly reach a conclusion that Mr W would've said anything that would've concerned Metro or prevented Mr W from proceeding with the payment.

I say this because Mr W was dealing with a long-time friend who he trusted. Mr W says that a few months prior to making this payment, he had loaned money to M which was invested in M's business, and that M was making monthly repayments as agreed on that loan. It wasn't until May 2022, when M stopped making payments on that business loan that Mr W became concerned. So, I think it's more likely than not any discussion Mr W would've had with Metro is unlikely to have made a difference with regards to him making the payment of £110,000.

I'm really sorry to disappoint Mr W, but I'm not satisfied that I can safely conclude that he was the victim of a scam or ask Metro to refund him.

### **My final decision**

My final decision is that I don't uphold this complaint against Metro Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 21 May 2024.

Lisa Lowe  
**Ombudsman**