

The complaint

Mr D is unhappy with the service he received from Metro Bank PLC surrounding a request he made to reverse a pending payment.

What happened

Mr D made a payment to a merchant from his Metro account. The following day, Mr D called Metro and explained that he'd decided against purchasing a service from the merchant and asked Metro to reverse the payment back to his account.

Metro explained to Mr D that the payment couldn't be reversed because it was still showing as pending and they asked Mr D to call Metro back when the payment showed as completed. Mr D did as he was asked, but Metro then told Mr D that the payment couldn't be reversed because it had completed. Mr D wasn't happy with the conflicting and contradictory information he'd been given by Metro, so he raised a complaint.

Metro responded to Mr D and said that he'd been given correct information on both occasions and explained that if he wanted to recover the payment he would need to raise the matter as a dispute with their card security team. Mr D wasn't happy with Metro's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. During their review, Metro reassessed their position on this complaint and acknowledged that Mr D should have been given more detailed information about the possibility of a reversal the first time that he'd called. Because of this, Metro offered to pay £50 compensation to Mr D for any trouble or upset he'd incurred. Our investigator felt that Metro's offer represented a fair outcome to this complaint. But Mr D disagreed, so the matter was escalated to an ombudsman for a final decision.

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.

In his correspondence with this service, Mr D has expressed his dissatisfaction with the service he's received surrounding the payment dispute he's been asked to make by Metro, given that they weren't able to reverse the transaction as Mr D would like. But this service can only consider points of complaint which the complainant has already referred to the business directly, and which the business has therefore had the opportunity to consider and formally respond to themselves.

Because Mr D hasn't raised a formal complaint with Metro about the payment dispute that he was asked to make – and because the payment dispute wasn't included in Metro's formal complaint response to Mr D, wherein Mr D was given his right to refer his complaint to this service – I'm unable to consider that aspect of Mr D's dissatisfaction here.

Additionally, while I note that our investigator has been liaising with Mr D and Metro about the payment dispute, the additional service that our investigator has provided in this regard

doesn't alter the fact that the issue of the payment dispute isn't within the scope of what I can consider here. Accordingly, if Mr D continues to be dissatisfied about this matter, I can only refer him to Metro to raise this as a formal complaint with them in the first instance.

Regarding the service Mr D received from Metro surrounding his request for a payment reversal, I agree that more detailed information should have been provided to Mr D on the first call that Mr D made to Metro.

Specifically, it should have been explained to Mr D that the pending payment to the merchant can't be reversed because Mr D had changed his mind about wanting to receive a service from that merchant. In short, this is because when Mr D made the payment, it was genuine. And if Mr D has changed his mind after making the payment, it would most likely be for Mr D to contact the merchant and obtain a refund of that payment from them directly.

It should also have been explained to Mr D that the only way the payment could be reversed was if the merchant didn't accept the payment – but that this would be unlikely if the merchant themselves believed the payment to be genuine, as was the case in this instance.

Had the above been explained to Mr D, so that he understood that there was only a small chance that he'd be able to obtain a payment reversal if he called Metro back as he'd been asked to – dependent upon the merchant not accepting the pending payment – then Mr D would have made that call back with an accurate expectation of what the result of that second call to Metro would be.

But because Metro didn't provide clear information to Mr D in the first instance, Mr D held an inaccurate expectation of what might happen. And this meant that Mr D experienced a degree of frustration and disappointment which reasonably should have been avoided.

Metro have acknowledged this point in their recent reassessment of Mr D's complaint, in which they offered to pay £50 to Mr D as compensation for the trouble and upset that their facilitating of his incorrect understanding and expectation may have caused.

This feels fair to me, given that the impact on Mr D is that he made a second phone call to Metro that he might not have made and that it wasn't made clear to him that his request for a payment reversal had little real chance of success. And I can confirm that this amount is commensurate with what I might have instructed Metro to pay here, had they not offered to do so already, and that I don't feel that a higher award of compensation is fairly or reasonably merited in this instance.

In arriving at this position, I've considered the impact of what's happened here against what should fairly have happened – as I've explained above. And I've also considered the general framework this service uses when assessing compensation amounts, details of what are available on this service's website.

Accordingly, while I will be upholding this complaint in Mr D's favour, I'll only be doing so to instruct Metro to pay Mr D the £50 they've already offered to pay. And I won't be issuing any further instructions beyond this. I realise this won't be the outcome Mr D was wanting, but I hope he'll understand, given what I've explained, why I've made the final decision I have.

Finally, moving forward, if Metro haven't done so already, I strongly suggest that they ensure that Mr D is aware of the necessary criteria for a successful payment dispute – so that he has an accurate expectation of his possibility for success in this regard.

Putting things right

Metro must make a payment of £50 to Mr D.

My final decision

My final decision is that I uphold this complaint against Metro Bank PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 May 2024.

Paul Cooper
Ombudsman