

The complaint

Mr B complains Metro Bank PLC unfairly refused to refund a large sum of payments he says he didn't make and closed his account. He also says he was treated insensitively. He wants his account reopened and the payments refunded.

What happened

Mr B held a current account with Metro Bank.

On 31 January 2024 and 1 February 2024 numerous payments were made from Mr B's account to several gambling websites which totalled over £1000, which he disputes making.

Mr B says approximately two persons he thought were friends opened accounts up with different gambling companies and loaded funds to those accounts without his permission. He says he gambled with these persons prior to leaving them in his home while he went shopping for his nan. He said they were meant to leave his home shortly afterwards but didn't and he believes they hid his phone which he couldn't find before he left.

Mr B says he decided to stay the night at his nan's, so discovered the fraud the next day after a card payment was declined when he contacted Metro Bank. Metro Bank subsequently declined his claim and decided to close his account. Mr B complained to Metro Bank who rejected his complaint, so he brought his complaint to our service.

Mr B explained he has learning difficulties and severe dyslexia which makes remembering information and communicating more difficult. Mr B also explained he keeps all his bank security information together as a result.

An investigator at our service didn't uphold Mr B's complaint. They concluded Metro Bank hadn't acted unfairly when deciding not to refund the payments or when closing his account.

Mr B disagreed and asked for a final decision from an ombudsman, so his complaint was passed to me to decide.

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've decided not to uphold Mr B's complaint. I understand this will be very disappointing news for him to hear.

Metro Bank's liability in terms of refunding disputed payments is set out in the Payment Services Regulations 2017. In summary Metro Bank is liable to refund payments which a customer didn't authorise, subject to other criteria - such as if a customer was grossly negligent with their account security information that lead to unauthorised payments not involving credit or they failed with intent to keep security information safe.

I'm satisfied Metro's decision not to refund the payments was fair. I'll explain why.

- A large proportion of the funds used to make the disputed payments derived from Mr B's gambling winnings from at least two different gambling companies. And many of the disputed payments were also to these same companies, presumably to Mr B's accounts with them. I also see winnings from another gambling company were paid into his Metro Bank account during the time the disputed payments were made. On balance, while not impossible, I find it unlikely third parties would behave this way if trying to benefit personally from gambling Mr B's own funds.
- Metro Bank relied on Mr B's previous gambling payment history as a strong indicator that it was him who made the payments he disputes. I don't find their conclusion unreasonable. Mr B told them he had been gambling during the weekend and the previous two days with these persons prior to the payments in dispute. I see the gambling activity on his account is substantive during the period leading up to the payments, so it's not unreasonable to conclude that the disputed payments represented Mr B continuing to gamble.
- Mr B pointed to the increase in sums paid to the gambling companies to indicate it wasn't him, and there was an increase in spending. But I don't find the sums particularly large in comparison to previous genuine gambling activity, such that I am persuaded other persons were making the payments without Mr B's consent.

The disputed payments followed substantive winnings being paid into Mr B's account. In this context, I also don't find the increase in gambling activity on the account after gambling successes unusual or indicative of fraudulent activity.

- I don't find it unfair for Metro Bank to rely on the payments being made using Mr B's mobile device and using his mobile banking application. It's an important term of Mr B's agreement with Metro Bank to keep his account security information secure and safe to prevent fraud taking place, and this is a feature of most payment account agreements, which is understandable given banks liability to customers when unauthorised payments are made. So, at face value the fact Mr B's mobile and correct security information were used is reasonable evidence for Metro Bank to rely on.

Mr B says he thinks his former friends purposefully hid his phone to gamble using his funds and likely observed him entering his PIN when in their company. He says he enters his PIN slowly due to his difficulties with memory retention, which would have afforded them the opportunity to witness what it was. I note he's also said at different times that he keeps his Metro Bank security information on his mobile, all his banking security information in a folder at the bottom of his wardrobe, and all in one place in his wallet.

Having carefully considered what Mr B has said about his dyslexia and learning difficulties, I have no reason to doubt he may have some difficulty recalling security information. But after considering the copy of the letter he presented, I don't find this demonstrates his conditions affect him to the extent that his only recourse was to store the information in the ways he has described. Nor do I find that even if this was the case that Metro Bank ought to be liable for the losses that resulted.

- Mr B said that he wouldn't risk his integrity raising a claim he knew to be false or that he would have contacted the police. But there can be many reasons and motivations behind the raising of claims or involving the police, and I am not going to speculate on them. Instead, I'm satisfied Metro Bank acted fairly by deciding it was more likely Mr B consented to the payments in question.
- Mr B says another bank refunded him gambling payments he disputed making. But the conclusions of another bank do not mean I find Metro Bank must also have reached the same decision. Again, I'm satisfied Metro Bank could refuse to refund him the payments he raised based on the information and evidence they presented.

Mr B feels Metro Bank treated him unsympathetically. I don't doubt this is an emotive matter for him, given Metro's conclusions and what he has said about his vulnerability. But I'm not persuaded the service he received warrants compensation.

One of the advisors Mr B spoke to said if Mr B has a gambling addiction, they can point him to support. On listening to the call, I agree the comment was out of the blue at the point it was said, so I understand why Mr B found it challenging. But I have weighed what happened against why Metro Bank would want to reference potential gambling support given gambling can be a hidden and damaging problem for an increasing number of people. So, while I agree the subject matter could have been broached more sensitively, I don't find this is a substantive failing to award compensation. I'm satisfied too that Metro Bank acknowledging Mr B was incorrectly told that he couldn't raise a complaint is sufficient.

I find Metro Bank closed Mr B's account fairly and according to their terms and conditions. Metro Bank like all account providers has a broad commercial discretion to decide who they want as customers. Having considered the facts of Mr B's complaint, I'm satisfied they acted within that discretion when deciding to close his account, following their conclusions about the payments Mr B disputes making. I also find they gave him the correct notice under their terms and conditions, and based on what Mr B has said he likely had several other accounts he could use for everyday banking.

My final decision

My final decision is I do not uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 May 2025.

Liam King
Ombudsman