

## **The complaint**

M complains Metro Bank PLC didn't do enough to protect it when it fell victim to an investment scam.

## **What happened**

M has an account with Metro Bank.

M's managing director says he was at a property networking event in 2018 when he met someone who was promoting investment opportunities with returns of up to 300%. M's managing director says they believed the investment opportunities to be genuine.

M's managing director says M sent payments totalling £175,000 between August and December 2018 believing that it was investing in "loan notes" with high returns.

M's managing director says he was made aware in late 2019 that the person he'd met been declared bankrupt. He says he concluded the investment opportunities had been a scam at that stage.

In September 2023 M complained to Metro Bank, with the help of a representative, that it hadn't done enough to protect it when it fell victim to the scam. M said that Metro Bank should have intervened as the payments it had made were unusual and that the scam would have come to light had it done so. M's representatives complained to us.

Following our involvement Metro Bank looked into M's complaint and said that the matter appeared to be a civil dispute so it wouldn't be refunding M. Our investigator then looked into M's complaint and said that they agreed this was a civil dispute. Our investigator also said that the payments weren't, in any event, unusual so Metro Bank would have had no reason to intervene. And finally our investigator said that even if Metro Bank had asked questions, it wouldn't have made a difference. So, they didn't recommend that M's complaint be upheld.

M's representatives disagreed with our investigator's recommendations saying that the payments had been sent to a far riskier payee than others of a similar size at the time and that had Metro Bank intervened M's managing director would have spoken to his mother – who M's representatives say was pressurised by the scammer into mortgaging her house to raise the funds that were invested. M's representatives said that this would have led to the scam being uncovered. Ultimately M's representatives asked for a decision from an ombudsman. So, M's complaint was passed to me.

## **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.

The events that M is complaining about happened over five years ago and, as a result, there's limited evidence available and M's managing director's recollection isn't great. I have, however, seen emails between M's managing director and the individual who M says is a

scammer as well as messages they exchanged and documentation in relation to the payments complained about. All of that evidence points to these payments being short term loans between M and another company that the individual who M says is a scammer controlled. I agree with our investigator – and Metro Bank – that all of the evidence points to the payments having been made as a result of an agreement between two legitimate businesses. And the evidence also shows the borrower subsequently got into difficulties and was ultimately placed into liquidation. In short, I agree that this is a civil dispute, not a scam.

Our investigator went on to say that the payments M made weren't unusual. I agree. That means even if this was a scam – despite what I've just said – it wouldn't be fair to say that Metro Bank failed to intervene when it should have done. Our investigator also went on to say that even if Metro Bank had intervened it wouldn't have made a difference. Again, I agree. M's representatives have said that M's managing director's mother provided the funding for these payments and was pressurised into doing so. But they've been unable to provide any evidence of their mother being pressurised, and the limited evidence that is available is inconsistent with this. Having considered another complaint from M about unrelated payments it looks like funding early on came from a remortgage, but that funding was used to invest in other opportunities. In addition, the evidence I've seen suggests that all of the conversations about investing were between M's managing director and the individual who M says is a scammer rather than the mother.

For the reasons I've given, I agree that this isn't a complaint that I should be upholding. This complaint is a civil dispute, not a scam.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 4 September 2024.

Nicolas Atkinson  
**Ombudsman**