

The complaint

Mr O has complained that Metro Bank PLC won't refund transactions he says he didn't make or otherwise authorise.

What happened

Mr O was attempting to purchase a holiday. But the website he used was fake – it was impersonating a genuine merchant. He gave the scammers his credit card details and approved a £550 payment to them.

Following this, Mr O's credit card details were used for a series of payments abroad, totalling over £2,000.

Mr O reported this in branch. He explained he'd authorised the initial payment to the scam website, but not the payments which followed. Metro held Mr O liable for the payments in dispute.

Our Investigator looked into things independently and upheld the complaint. Metro didn't agree, so the complaint's been 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.

Metro's technical evidence indicates that the payments in dispute likely used Mr O's genuine card details, approved by 3DSecure. But this is not enough, on its own, for Metro to hold Mr O liable – it also needs to be able to evidence that Mr O consented to the transactions. Otherwise, Metro has to refund the payments.

Mr O is not claiming for a refund of the initial £550 payment, which he accepts he authorised. Further, at the time Metro would not have reasonably known it was a scam or had good enough reason to block it. And, being a card payment, it would not be covered by the CRM code for scams. So I've not told Metro to refund that one. When I talk about the disputed payments, I'm talking about the ones attempted on 15 January 2024, and not the £550.

However, that payment is still important, as it shows a clear way that a fraudster likely learned Mr O's card details. Metro seems to be under the impression that that was a payment to the genuine merchant. But the booking emails Mr O received came from a false domain, they contained numerous spelling, grammar and formatting errors, the flight information provided does not appear to be genuine, and the phone number provided was not the genuine merchant's phone number but instead is flagged as a known number for holiday scams. So it's most likely that this was a scam.

I find it's most likely that the disputed payments were unauthorised for the following reasons:

- There is a likely and plausible way that a fraudster learned Mr O's card details
- The payments were approved from new IP addresses which do not match up to Mr O's genuine activity and were based abroad
- The disputed transactions were made under false names and email addresses
- The payments were spread out across mainland Europe and Asia
- Metro's technical evidence indicates that new devices were likely used in approving the payments, which were only first seen shortly beforehand, and which ran a completely different operating system to Mr O's genuine device. Metro claims no new devices were registered, but has not sufficiently backed this up with evidence
- Metro's technical evidence indicates that the device may have been remotely accessed at the time the payments were approved
- Metro's own fraud system identified that these payments had a very high risk of being fraudulent, and that they came from devices of low trustworthiness
- There is no evidence that Mr O benefitted from these transactions
- Mr O's testimony has been consistent and plausible and I've not found any good reason to disbelieve him

Taking into account everything that's been said and provided, I'm not persuaded that Mr O consented to the disputed transactions. So I don't think Metro can hold him liable for them.

Putting things right

I direct Metro Bank PLC to:

- Rework the credit card account to remove the disputed payments, along with any related interest and charges.
- If, after reworking the account, it emerges that Mr O has made overpayments to pay for the disputed transactions, Metro should refund those overpayments to him. It should also pay Mr O 8% simple interest on the overpayments, payable from the date each overpayment was made until the date it's returned. This is to compensate Mr O for the time he didn't have that money.

If Metro considers that it's required by HM Revenue & Customs (HMRC) to deduct tax from that simple interest, it should tell Mr O how much tax it's taken off. It should also give Mr O a tax deduction certificate if he asks for one. Mr O may be able to reclaim the tax from HMRC if he doesn't normally pay tax.

- Correct the record of the account on Mr O's credit file. This will involve adjusting the reported balance history to remove the extra balance from the disputed payments.

My final decision

For the reasons I've explained, I uphold Mr O's complaint, and direct Metro Bank PLC to put things right by doing what I've said above.

If Mr O accepts the final decision, Metro Bank PLC must carry out the redress within 28 days of the date our service notifies it of the acceptance.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 15 November 2024.

Adam Charles
Ombudsman