

The complaint

Ms M is unhappy that Metro Bank PLC has decided not to refund her the £425 card payment, she says was taken as part of a scam.

What happened

Ms M said she provided her card details to a merchant for £45 but when she checked her statement the merchant had taken £425, which she did not authorise it to do. Ms M later said her son had made the transaction on her account, even though she told him it seemed too good to be true. And said he had paid a £425 deposit for a car, being delivered the next day. Ms M was then unable to reach the merchant and believed she'd been scammed.

Ms M raised the matter with Metro.

Metro sent letters to Ms M on 13 and 20 April requesting the supporting evidence to consider a chargeback claim.

In its letter, dated 28 April 2023, Metro referenced the call it had with Ms M on 18 April 2023, where it explained the dispute process. It said it needed evidence from Ms M to proceed with the dispute through Mastercard (the chargeback).

Ms M called the card security team on several occasions to say she was unhappy with the outcome of her disputed payment and the service she had received from Metro. Ms M told Metro she had spoken to Mastercard, who said Metro should refund her without sending all the information it had asked for (as part of the chargeback).

Metro confirmed the details it needed again in its letter dated 18 August 2023.

Ultimately, Metro didn't uphold the complaint. It said no error had been made. Ms M had authorised the payment to the merchant, by providing her card details. As such it treated the matter as a dispute with the merchant rather than as fraud.

In its letter, dated 18 August 2023, Metro considered the service Ms M received regarding the failure to pass security on one occasion, and that it should have passed Ms M's concerns to the Card Security Team on her behalf. Metro acknowledged that a colleague became argumentative and had a poor attitude. And when Ms M visited a particular store, a printer wasn't working. For these elements Metro offered £65 in compensation. A further £25 was paid following Metro's letter dated 05 September 2023. Metro confirmed the information from Ms M was needed to consider the claim further. But agreed the level of service provided in a call on 31 August was not to its expected standards.

In Metro's letter, dated 05 September, it said although the 120 days for the chargeback had passed, if Ms M provided the information, Metro would be able to review any evidence she provided, to see if the claim could proceed.

In its letter, dated 02 October 2023, Metro said the chargeback claim was declined because the transaction must be disputed within 120 days, and as the claim was then outside of this timescale, Metro could no longer assist.

Metro also confirmed, it did not say in any calls, that Ms M would receive a refund, only that her information and evidence would be reviewed.

Unhappy with Metro's outcome and handling of the matter Ms M brought her complaint to our service.

One of our investigators looked into things she said she didn't think Metro acted unreasonably when it declined to raise a chargeback. And she didn't think additional compensation was due.

In summary she said:

- The payment wasn't covered the Contingent Reimbursement Model (CRM) Code as it was a card payment.
- Chargebacks are voluntary and a bank doesn't have to submit a claim if it doesn't have enough evidence to believe it will be successful.
- Here Ms M didn't provide Metro with sufficient evidence when asked. Metro sent several letters which Ms M didn't initially respond to. When the information was provided the investigator didn't think it was sufficient and therefore Metro's decision, not to process the chargeback, wasn't an unreasonable one.
- The investigator didn't agree that Ms M had been told she'd receive a refund, when she reported the matter to Metro. Rather that Ms M was told she would need to provide further evidence to assist with the chargeback claim.
- Given the value and nature of the payment being made, the investigator didn't think Metro needed to consider that this payment was suspicious or unusual to the point that it needed to intervene, or consider that Ms M might be at risk of financial harm.

Ms M disagreed, she said the findings were biased and the investigator hadn't listened to the calls between her and the bank, only read the notes. She asked for her complaint to be escalated.

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.

Having done so, I've come to the same conclusions as the investigator, for broadly the same reasons.

Firstly, I'll start by saying I acknowledge Ms M feels very strongly that Metro should refund her. I'm sorry to hear how much this has impacted her.

I'm not recommending that Metro needs to refund Ms M or pay her any further compensation. I'll explain why.

The disputed payment

It's not clear what actually occurred here. Ms M has given two different versions of events about the payment and how and why it was made. She's provided very little evidence to support either claim. Ms M has been asked repeatedly, by Metro, to provide information and

evidence of her claim and has had ample opportunity to provide this. Based on the information she has provided, it's not clear what dispute has arisen here. Whether that is the result of a scam, or a dispute with a merchant, or something else entirely. And because of the lack of evidence and information from Ms M, I agree with the investigator that it wasn't unreasonable for Metro to decline to process a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder. Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Ms M was asked for specific information on multiple occasions. By the time this was received it was lacking in any detail to really establish what the dispute was, especially given her two varying accounts. And Metro ultimately declined Ms M's chargeback claim saying it was out of time.

Metro could have provided better clarity on the chargeback process, its timeframes and why it needed the information that it requested. It also could have explained why the information Ms M provided wasn't sufficient. But in any event Ms M doesn't appear to have any further evidence to provide, in regards to her dispute or clarified what occurred. Rather she has focussed on the refund she says was promised and the customer service she was provided by Metro.

On 05 September Metro said it would consider Ms M's chargeback claim, outside of the 120 days, but in its letter dated 02 October it said it wouldn't consider the matter further as the claim is outside of the 120 days already. I don't think it's clear from Metro what its processes are here and what it could or couldn't do with regards to the chargeback timeframes.

Although I think Metro could have been clearer, ultimately I'm satisfied that its decision not to process the chargeback was fair in this instance. It had no real prospect of success given the lack of detail provided by Ms M. And I'm not persuaded further clarity from Metro had any real impact on Ms M's prospect of a successful chargeback claim given the lack of information and evidence regarding the disputed payment.

Ms M says she spoke to Mastercard and was told Metro should refund her without further information or investigation. Ms M has not provided any evidence that she spoke to Mastercard. But in any event, I wouldn't expect Metro to proceed on this basis without direct confirmation from Mastercard. And Metro should, as it did, follow the chargeback rules. So I don't agree Metro should refund Ms M's losses on this basis.

Beyond the chargeback I've also considered if there was any other reason that Metro ought to refund Ms M. In broad terms, the starting position at law is that a bank, payment service provider or electronic money institution is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. And I have taken that into account when looking into what is fair and reasonable in this case.

I've considered whether there was anything about the circumstances surrounding the payments that could have put Metro on notice that Ms M might be at risk of financial harm, and I don't think there was.

The payment was low in value in comparison to the other payments Ms M usually makes on her account. It was a card payment and there was no indication that this was made without

her consent or authority, at the time it was made. So overall I don't think Metro ought to have been concerned when Ms M made the payment. And it correctly executed the payment inline with her instructions. And, I don't think Metro made an error by not intervening when Mr W made the payments. And it didn't make an error in declining Mr W's chargeback claims.

Compensation

Throughout Ms M's correspondence with Metro she has cited a request for £250 in compensation. Metro has paid £90 in total in compensation. I have considered that Metro ought to have been clearer at certain points, but I also don't think it made any errors in the way it decided the claim. As I've set out above.

I can see Ms M has been frustrated by the service she has received but I can also see Metro has admitted where it could have handled things better. Overall, I'm not persuaded that further compensation is due. I think ultimately Ms M's frustration has been that she thinks Metro should refund her without the further enquiries it made, and I disagree.

I'm not recommending any further compensation is paid.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 2 January 2025.

Sophia Smith
Ombudsman