

The complaint

A charity, which I will refer to as W, complains that Metro Bank Plc allowed large amounts of money to be sent from W's account without any security checks.

What happened

W's representatives told us:

- W is a small charity which often sends small payments to individuals in need.
- On 7 March 2024 W intended to send a payment of £10 to a person I will call Ms K. In fact the amount of £10,700 was sent. It asked both Metro and Ms K to return those funds, but neither of them have done so.
- On 13 May 2024 W intended to send a payment of £12 to a person I will call Ms A, but £12,700 was sent instead. Ms A returned £7,142.88 to W on the same day, and promised to return the rest shortly – but did not do so. The amount of £5,557.12 (or £5,545.12 taking into account the intended payment of £12) is still outstanding, and has not been refunded by either Ms A or Metro.
- Both issues have been reported to the police, and they understand the individuals involved have been arrested. However, they also understand that the money W transferred has been spent, and neither Ms K nor Ms A are now able to return the money they received.
- Metro allowed very large transactions to go ahead without any security checks. Other banks ask their customers to confirm amounts, then ask for face id or a security number sent to another device. Metro's security is sadly lacking, and it should be held responsible for W's loss of funds due to its lax system.

Metro told us:

- W told it on 7 March 2024 that a payment of £10,700 rather than £10 had been made to Ms K. It recalled the payment on the same day, but received a response from the beneficiary bank on 11 March 2024 to say the funds could not be returned because the beneficiary's account had been stopped. It told W that it could not recall the funds, and suggested that W contact the beneficiary and seek legal advice if the beneficiary did not return the money.
- W told it on 13 March 2024 that £12,700 rather than £12 had been paid to Ms A. But it did not attempt a payment recall for the funds Ms A had not returned until 22 August 2024. That recall was ultimately unsuccessful because Ms A failed to respond to her bank's request for debit authority.
- It accepts that it took too long to attempt to recall the second payment, and it has offered £50 to apologise for its delay. However, it does not consider that it is liable to

reimburse W for any of the money that it was unable to recall.

One of our investigators looked at this complaint. She said:

- Although banks like Metro have an obligation to be alert to fraud and scams, they don't put stops on every transaction – because that would cause significant disruption to genuine payments.
- She was unable to tell W exactly what types of payments would trigger Metro to intervene in any individual transaction, because that information is commercially sensitive. However, in the circumstances here she was satisfied that it was reasonable for Metro to have allowed the payments at the centre of this dispute to be made. She didn't think the size of the payments should have raised any concern for Metro. She also noted that both Ms K and Ms A had been set up as payees long before May 2024 and that they had both received several payments from W in the past (albeit for very small amounts).
- She thought Metro did make one error, in that it took too long to attempt to recall the payment made to Ms A (the £12,700 payment made 13 March 2024, which Metro did not attempt to recall any part of until 22 August 2024). However, ultimately she didn't think the delay made a difference to W's ability to recover its money. Ms A was aware almost immediately that the payment had been made by mistake, but only returned some of the money. She didn't think Ms A would have acted differently if a payment recall request had been made earlier, and so she didn't think Metro's delay made a material difference.
- Overall, she thought Metro should pay £100 rather than £50 to apologise for its delay in attempting to recover the payment made on 13 May 2024, but she didn't think Metro should have to do any more than that.

Metro accepted our investigator's findings, but W's representatives did not. The complaint was therefore referred to me to review.

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'm sorry to further disappoint W's representatives, but there is very little I can add to what our investigator has said.

Ultimately, what happened here is that Metro followed W's instructions. I would usually expect any bank to execute the payment instructions it receives promptly, unless it has a good reason not to do so (for example, if it has reasonable grounds to suspect fraud or dishonesty). In hindsight it is clear that W did not intend to give the instructions it gave, but Metro did not know that at the time.

Metro does have measures in place to help protect its customers from fraud, including an automated process that sometimes stops payments if it considers they are unusual or suspicious. Metro does not publicly disclose the circumstances in which it will stop payments (because that sort of information would be extremely useful to fraudsters), but it has told us that its system did not place a stop on the payments at the centre of this dispute. Instead, it simply followed the payment instructions it had received.

I have reviewed W's statements, and I can see that W's representatives are right to say that the payments were larger than W usually makes. They were also much larger than the payments W has previously made to Ms K and Ms A. But I don't think they were so unusual, or so large, that Metro ought to have done anything to stop or delay the payments.

Metro acted quickly when it was told that the £10,700 payment on 7 March 2024 had been made in error. It is unfortunate that Metro's recall request was not successful, but Metro cannot be blamed for that. All Metro can do in a case like this is ask the receiving bank to recall the money; it cannot compel the receiving bank (or the receiving bank's customer) to pay anything.

Metro did not act anywhere near as quickly when it was told that the £12,700 payment on 13 March 2024 had been made in error, and it took several months to make a recall request. However, in the circumstances here I agree with our investigator that Metro's delay did not make a material difference to the outcome of that recall request. It is clear that Ms A knew that W believed it had paid her in error, and indeed she returned a large portion of the payment almost immediately. If Ms A had been both willing and able to return the entire sum, I consider it likely she would have done so regardless of Metro's delay.

I agree with our investigator that a payment of £100 would be fair in respect of the inconvenience Metro caused when it failed to attempt a recall of the 13 March 2024 payment as quickly as it should have done.

My final decision

My final decision is that Metro Bank PLC must pay W £100 to apologise for its delay in attempting to recall the £12,700 payment. I do not uphold any other aspect of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 14 March 2025.

Laura Colman
Ombudsman