

## **The complaint**

Mr B has complained that his bank Metro Bank PLC ('Metro') refused to refund the money he lost when he fell victim to a scam.

## **What happened**

Mr B decided to book a holiday he found online through what he believed at the time was a legitimate travel company. He said he then received a call from someone purporting to be from that company who said they were calling to confirm the booking and then offered Mr B the chance to pay the £3,167.58 balance over three instalments.

On 29 May 2024 Mr B paid £915.89 using his Metro debit card. Two weeks prior to that he had paid £1,553.02 using a card he has with another bank.

Some time before the holiday was due to start, Mr B tried to contact the company on the number it had called him from to ask some more questions, but he couldn't get through to anyone. He then found another number for the same company which he called but was told that it didn't have his booking. He then realised he had been the victim of a scam.

Mr B called Metro on 19 June 2024 and reported the scam. Metro asked him to send in information such as emails he'd received regarding his booking which he provided.

On 11 July 2024 Metro informed Mr B that it wouldn't be able to issue a refund because it considered that there were a lot of inconsistencies in the documentation he provided and in his account of the events. For example, Metro said that the payment Mr B made was to a different travel company. It added, among other things, that Mr B failed to verify that the call was from a genuine company, that he didn't query why the payment was made to a different company and that the price quoted was too good to be true.

Metro also mentioned that it had previously warned Mr B about scams after dealing with a previous complaint after which it agreed to refund most of the funds Mr B had lost. It also said that Mr B authorised and verified the payment and the amount wasn't out of character compared to other transactions on the account.

Mr B wasn't happy about Metro's decision so he complained but Metro rejected the complaint for the reasons it had already provided.

Mr B then brought his complaint to our service and said he wanted his funds to be returned to him. The complaint was reviewed by one of our investigators who didn't think it should be upheld. Our investigator didn't think Metro had to provide any warnings and that the payment was not out of character for Mr B. He also thought that any recovery attempts via

chargeback were likely to fail as the payment was authorised by Mr B and as the service had been provided by the merchant.

Mr B didn't agree and asked for an ombudsman's decision so the matter 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'd like to start by saying that I was very sorry to hear that Mr B has been the victim of a cruel scam. I have a great deal of sympathy for Mr B and realise that being the victim of a scam will have had a significant impact on him.

The starting position in law is that a bank such as Metro is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 (PSR) and the terms and conditions of the customer's account.

My understanding of what happened was that Mr B's card details were used by the scammers to purchase another holiday from a separate genuine business. This meant that, though he didn't realise this at the time, when Mr B authorised and validated the payment, he was paying for a holiday which was being booked through a different company and which wasn't in his name. Under the PSRs, this is what we would consider to be an "authorised" payment- even though Mr B was tricked into making it. So, in the first instance, Mr B is presumed liable for it. But that's not the end of the story.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, guidance and standards, codes of practice, regulators' rules and where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Taking those into account I consider it fair and reasonable that in May 2024 Metro should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Metro sometimes does including in relation to card payments);

- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

It isn't in dispute that Mr B was the victim of a scam. I have considered whether Metro should have recognised that Mr B was at risk of financial harm from fraud and whether it should have intervened. I've also borne in mind that the payment was for £915.89 which I appreciate is a lot of money to Mr B - but the bank processes transactions like this all the time. There is a balance to be struck between banks identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

I have considered the transactions Mr B made on his account over a 12-month period before the scam and I didn't think this payment was out of character, considering the account's previous activity. For example, in March 2024 Mr B made three other payments, two for around £400 and one for £600 on the same day to what appears to be an airline or a holiday provider. Also, as the £915.89 payment was the one and only transaction made from this account in relation to this scam, there was no pattern that would suggest that it was due to a scam. Furthermore, it appears that the payment was made to a genuine bank account belonging to a genuine travel company. So, Metro's system would have been less likely to flag it as being suspicious. It follows that, on balance, I don't think this was a payment that Metro should have identified as a potentially fraudulent transaction and consequently I also don't think that it had to provide any relevant warnings or make any interventions before Mr B proceeded to make it.

I've gone on to consider whether Metro should have done more to recover Mr B's funds after he reported the scam to it. The payment was made using a debit card and so a chargeback could have been attempted, though I appreciate Metro is under no obligation to do so. Chargeback is a process that allows debit and credit card holders to reverse a transaction when there's a problem with the goods or services they have purchased. Metro said it hasn't attempted this and, in the circumstances, I don't think such an attempt would have been successful. I say this because, as I said above, Mr B's card was used to purchase another holiday through a separate genuine company. The chargeback process is there to provide protection for the genuine travel company who provided a genuine service. And in this case it seems that a genuine service was provided, albeit to an unknown third party and not to Mr B.

I understand Mr B will be disappointed with my decision. As I said above, I appreciate the impact being the victim of a scam will have had on him. When I consider cases like this I am looking at whether the bank – who was not party to the scam itself – should have done more. It doesn't automatically follow that Metro is liable for a loss or all of the losses, just because a customer is a victim of fraud. And for the reasons I have given above, I don't think it would be fair or reasonable for me to ask Metro to reimburse Mr B for his loss.

**My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 August 2025.

Anastasia Serdari  
**Ombudsman**