

The complaint

Mr S is unhappy Metro Bank PLC will not refund all of the money that he lost as the result of an authorised push payment (APP) scam.

Mr S brought his complaint to this service through a representative. For ease of reading I will refer solely to Mr S in this decision.

What happened

As both parties are familiar with the details of the scam I won't repeat them here in full. In summary, Mr S fell victim to a cryptocurrency investment scam. On the scammer's instructions he opened up an account at Metro Bank, transferred in money from his primary bank account and then bought crypto currency to invest. He believed he was investing via firm 'I' that he had seen on morning television, endorsed by a celebrity. He was expecting annual returns of £200,000. Mr S made the following faster payments to an account in his name at a crypto currency trading platform.

payment	date	value
1	25/03/2024	£9,986.64
2	26/03/2024	£5,002.46
3	27/03/2024	£4,956.02
4	27/03/2024	£9,750
5	28/03/2024	£10,000
6	29/03/2024	£4,350

Mr S realised he had been scammed when he was unable to withdraw any of his funds. He reported this to Metro Bank on 19 April 2025. He says the bank did not do enough to protect his money.

Metro Bank initially declined Mr S's refund claim but then refunded 50% of Mr S's losses in August 2024. It said as his account was new and there was no transactional history, the payments could be considered unusual to the account. So it should have done more before processing the payments. However, it said Mr S had to share liability as he had not carried out adequate checks before investing.

Our investigator did not uphold Mr S's complaint. He said the bank's partial refund was a fair outcome in the circumstances.

Mr S disagreed and asked for an ombudsman's review. He said the first negatives reviews for firm 'I' appeared online after he made his payments. Whilst there was an FCA warning on the 21 March 2024 he was not aware he could check the FCA website for warnings about unauthorised companies. And as the order of results from a search engine changes over time, it's not possible to know the exact results he would have seen in March 2024. He did checks to the best of his ability and relative to his knowledge of investment. So he should not be held liable for any of his losses.

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.

In broad terms, the starting position at law is that Metro Bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (2017) and the terms and conditions of the customer's account. There is no dispute here that Mr S authorised these payments.

However, it doesn't stop there. Taking into account relevant law, regulatory rules and guidance, codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that by March 2024 Metro Bank should have:

- been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- 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;
- 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, taken additional steps, or made additional checks, or provided additional warnings, before processing a payment; and
- been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

To note, as the payments were to an account in Mr S's name the principles of the Contingent Reimbursement Model (CRM) code do not apply.

In the circumstances of this case I do not find Metro Bank can be held fully liable for Mr S's losses. I'll explain why.

It is not in dispute that Metro Bank should have done more to protect Mr S's money. So I need not comment further on that. What remains in dispute is whether Mr S did what it is reasonable to expect him to have done, bearing in mind he is a lay person and not a fraud expert like the bank.

I've considered carefully whether Mr S should hold some responsibility for his loss by way of contributory negligence. I think he should as I don't find he completed adequate checks before proceeding. There was an FCA warning in place about firm 'I' when he opted to invest with them. He argues that he was not aware he could check the FCA website for any warnings. But when he set up the recipient account as a new payee he saw a scam warning tailored to 'Buying cryptocurrency and making investments'. This is an extract from that warning:

Are you investing with an FCA-registered firm?

If not, STOP!

If you've suddenly been contacted with an investment opportunity, it's likely to be a scam.

Check that the company or stockbroker is FCA-registered. Always use the contact details from the FCA site, to avoid scammers who clone company websites.

Had Mr S followed this advice he would have seen the FCA warning about firm 'I'. I have no reason to think he would not have taken it seriously, and therefore not made any payments. There were other red flags I think he missed too that meant further checks were warranted: the investment was endorsed by a celebrity who has no link to investing/personal finance; the returns promised were too good to be true and Mr S was contacted via a messaging app - that is not typically how investment firms communicate with their clients.

Mr S argues he was inexperienced but this does not change my finding that had he followed Metro Bank's warning he would most likely not have suffered any loss. It seems he was willing to invest a substantial sum without doing the simple checks he was advised to complete.

It follows I find it fair that he take responsibility for half of his loss.

I have then considered if Metro Bank did what we would expect to try to recover Mr S's money once he reported the fraud. As he knows he had already moved the money from the recipient account by this stage so it is reasonable that the bank did not recover any of the funds.

It follows I am not instructing Metro Bank to refund any more money to Mr S. I'm sorry Mr S has lost a considerable amount of money and I can understand why he would like to be compensated in full for his loss. I do accept Mr S has fallen victim to a cruel scam. But I can only consider whether the bank, which had no involvement in the scam itself, should be held wholly responsible for what happened. For the reasons set out above I do not find Metro Bank can be held solely liable in the circumstances of this case.

My final decision

I am not upholding Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 June 2025.

Rebecca Connelley
Ombudsman