

The complaint

Mr G, on behalf of M, complains that Prepay Technologies Ltd (trading as Mettle) will not refund all the money it has lost to a scam.

What happened

The background to this complaint is well known to both parties so I will not set it out in detail here.

In summary, Mr G, acting on behalf of M, fell victim to a safe account scam. He was contacted by the scammer on 6 June 2024, pretending to be from Mettle. They told Mr G there had been suspicious activity on M's account and, in order to keep the money in M's account safe, he should follow the instructions he was given. Mr G was then instructed to approve payments in the app, in order to transfer money into a 'safe account'. The scam was sophisticated, and the impersonator was able to win Mr G's trust.

Mr G approved the following payments:

date	time	transaction	payee	amount
6 June 2024	14.12	bank transfer	Payee 1	£9,050.07
6 June 2024	14.26	bank transfer	Payee 1	£9,000.07
6 June 2024	14.30	bank transfer	Payee 1	£9,020.07
6 June 2024	14.35	bank transfer	Payee 1	£9,055.07
6 June 2024	14.38	bank transfer	Payee 1	£9,035.07
6 June 2024	14.41	bank transfer	Payee 2	£9,800.07
6 June 2024	14.43	bank transfer	Payee 2	£9,750.07
			Total	£64,710.49

After the seventh payment Mettle blocked the account and stopped any further payments from being made.

When Mr G realised he had been scammed he contacted Mettle's genuine Customer Service Team to report the scam.

Mettle accepted that it could have done more to protect M from this scam. In order to put

matters right it refunded £46,660.35 – the money M had lost to the scam from the third payment onwards.

Mr G did not accept Mettle's decision and referred a complaint to this service. An investigator considered the complaint and recommended that, in addition to the refund it had already paid, Mettle should also refund 50% of the first two payments, plus 8% interest on this amount. Mettle has paid M this additional amount, made up of £9,025.07 (50% of the first two payments), plus interest at 8% on this amount of £232.78.

Mr G said he felt Mettle should refund all the money lost to the scam. He said the scammers had been in contact with Mettle via its chat service while the scam was taking place. The investigator asked Mettle to refund all the money that had been sent to the scammers, in light of this information.

Mettle responded with evidence to show that the scammers had only contacted it, pretending to be Mr G, after it had blocked the account and stopped any further payments from being made. In view of this it said it didn't think it needed to refund more of the money that had been lost to the scam.

A second investigator considered this complaint. They said they didn't think Mettle needed to do more than it had already done to put matters right. Mr G remained unhappy that the full amount lost to this scam hadn't been refunded. He said in summary that he felt, given the sophisticated tactics of the scammers, M should be fully reimbursed for the loss.

As no agreement could be reached the complaint has been passed to me to determine.

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 think the refunds Mettle has already made are fair in all the circumstances of this complaint and I don't think it needs to do more to resolve this matter. I'll explain why.

In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Mettle is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account.

In this case, Mr G authorised the above payments by taking the actions in the app that were necessary for them to be made. There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Mr G has argued that his complaint should be upheld under the terms of the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code). For the avoidance of doubt, Mettle isn't a signatory to the CRM Code and so these payments aren't covered by it.

Nevertheless, Mettle has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm. Taking these things into account, I need to decide whether Mettle acted fairly and reasonably in its dealings with M.

The payments

I must take into account that many similar payment instructions received by Mettle will be entirely legitimate. Having considered what Mettle knew about the first payment at the time it received the payment instructions, I'm not persuaded it ought to have recognised there was a high risk it was part of a scam. While the payment was to a new payee and for a higher amount than M had made previously, this was a business account (which are often associated with higher payments), it was a single payment, and the account was left with a large positive balance (over £110,000) afterwards.

So I don't think the payment was sufficiently unusual to warrant Mettle refusing it or otherwise contacting Mr G to ask about the circumstances in which it was being made. Notwithstanding this, Mettle has said Mr G was shown the following warning message when he set up Payee 1 as a new payee:

Hang up the phone and contact us via in-app chat if you've been told to add this payee. You added [Payee 1] as a new payee at 2:09pm BST on 6 June 2024 to your Mettle account. We will never contact you and ask you to move your money to keep it safe.

In the context of what it knew about the payment, I think this was a proportionate response to the risks it presented and once Mr G had set up the new payee and approved the payment, I think Mettle was entitled to believe it was legitimate and to process it in line with the instruction.

However, Mr G then authorised a second payment to this payee only a few minutes later. Having reviewed the account information for M, I can see that this was not in-line with the way the account had previously been operated and I think Mettle should have intervened at this point. Had it done so, I think it is likely the scam would have been uncovered.

As Mettle has already refunded all the money M lost in this scam from the third payment onwards and has accepted that it could have done more to prevent M losing money to this scam, I do not need to consider its failure to intervene effectively beyond the second payment.

In reaching this view I have taken into account that it had a significant account history for M, and M had previously made numerous large payments from this account. And I must also take into account that there is a balance to be struck. EMI's such as Mettle have obligations to be alert to fraud and scams and to act in their customers' best interests. But they can't reasonably be involved in every transaction as this would cause unsustainable disruption to legitimate payments activity.

Mettle has already refunded 50% of the money M lost in the first two transactions. I would have directed it to refund 100% of the second payment, but not any of the first payment for the reasons I have explained. As the payments are of similar values, Mettle has already paid £25 more than the total amount of redress I would have recommended, so I don't think it needs to do any more than it has already done to put matters right.

Recovery of funds

I have also considered whether Mettle took adequate steps to recover M's money once it was told about the scam.

I appreciate that Mr G reported the scam promptly but despite Mettle's efforts to recover any

of the money that had been lost to this scam it was not possible to do so. It is not unusual for scammers to quickly move money on after it has been transferred to an account under their control.

Having carefully considered this complaint I do not think Mettle needs to refund any more money to M. I'm sorry M has lost this money and I can understand why Mr G would like M to be fully compensated for this loss. But I can only consider whether the Mettle, which had no involvement in the scam itself, should be held responsible for what happened. For the reasons set out above I do not find Mettle should refund more than it has already refunded in the circumstances of this case.

My final decision

My decision is that, Prepay Technologies Ltd (trading as Mettle) does not need to do more than it has already done to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 31 July 2025.

Suzannah Stuart
Ombudsman