

The complaint

Mr W complains that Metro Bank PLC (“Metro”) didn’t do enough to protect him when he made two payments towards an investment opportunity in 2020 which he now believes was a scam.

Mr W is being represented by solicitors in this complaint.

What happened

In 2024, Mr W contacted Metro about two payments totalling £25,000 which he’d made to a firm “P” in 2020. He said he’d fallen victim to an investment scam. Mr W told the bank that P had to operate in a variety of developmental schemes and sold two-year loan notes at high returns. But loan note holders hadn’t received interest or returns, and one of P’s was linked to a similar company which had also scammed investors. Metro declined Mr W’s scam claim and said it considered this to be a legitimate investment that had failed. Mr W complained but Metro didn’t uphold his complaint.

The complaint was referred to our service and considered by one of our investigators. They concluded that there was insufficient evidence P was operating a scam. And so, they weren’t persuaded that Mr W had lost money to a scam. Mr W’s representative disagreed and asked for an ombudsman’s decision.

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 recognise Mr W’s representative feels strongly that he was scammed, and Metro ought to have intervened or reimbursed him under the Lending Standards Board’s Contingent Reimbursement Model (“CRM”) Code. But very little information has been provided about why it is alleged that P was operating a scam. I’ve carefully reviewed Mr W’s representative’s submissions, but like the investigator I’ve not seen sufficient evidence to persuade me that P was set up with the intention to defraud customers. I’ll explain why.

Firstly, I’ve paid particular attention to the official organisations that publish warnings about fraudulent merchants operating in the UK and abroad. Having done so, I can’t see any regulator warnings being published about P prior to or since Mr W’s payments.

Secondly, I’ve reviewed the submissions made by Mr W through his representative and I disagree with the assertion that the information provided strongly indicates that Mr W was misled by P. I can see the representative states that P’s promotional materials presented a misleading investment opportunity. But the documentation relating to P which has been provided are newsletters which Mr W received periodically. These contain performance updates about the investment. Not only do they appear to be after Mr W’s payments, but his representative also hasn’t set out what specifically is misleading in these newsletters.

I understand the point the representative is trying to make about lack of returns further supporting the argument that Mr W was misled into making the payments. I can see that reference has also been made to reports from other investors who have experienced losses without receiving returns. It is understandable that customers who lost out in this way may regard P as fraudulent. But not receiving returns doesn't necessarily mean that a scam has taken place. It could also be indicative of a firm that was operating legitimately but which has since failed.

My research shows that the company Mr W received the newsletters from (and presumably invested in) is a subsidiary of P, and it has since gone into liquidation. I note that Companies House information shows P's accounts are overdue. But this could be an indication of financial troubles, it's not conclusive evidence that P was set up with the intention of defrauding its customers. And while there's an active proposal to strike off, P has previously had compulsory strike-off action discontinued. So, I don't consider this information persuasive evidence of a scam either. I notice P's company status remains 'active'.

In summary, while I accept that P ultimately failed to deliver what was expected from the investment, I haven't seen any clear evidence that this was always what it intended; or that at the time of Mr W's payments it planned to use his funds in a different way to what was agreed. So, having considered the evidence currently available, I can't fairly conclude that Mr W has been the victim of an authorised push payment scam as defined in the CRM Code. This means Metro isn't required to reimburse him under the provisions of the Code.

I appreciate that Mr W is now in a position where he's lost out financially. But, with all the above in mind, I can't fairly say that Metro has acted unfairly in not reimbursing him under the CRM Code at this time, or in not considering a refund more generally within the expectations on a firm to act to protect customers who may be at risk from financial harm from fraud. Given I've concluded that the payments Mr W authorised weren't fraudulent, Metro's duty was not triggered here. If new material evidence about P does come to light in the future, Mr W can of course contact Metro and renew his claim.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 23 July 2025.

Gagandeep Singh
Ombudsman