

The complaint

Mr A complains that Metro Bank PLC didn't do enough to protect him from the financial harm caused by an investment scam, or to help him recover the money once he'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr A met "the scammer" via a group chat. The scammer claimed to have an investment portfolio with "I" and that he'd make £3,700 for every £5,000 he invested. The scammer told Mr A about an opportunity to invest £10,000 in Company J, telling him to open an account with a cryptocurrency exchange, and to download AnyDesk remote access software. He told Mr A to first purchase cryptocurrency through a cryptocurrency exchange and then load it onto an online wallet.

Between 15 July 2024 and 26 July 2024, he made eleven faster payments to P totalling £35,061 (with £9,818.24 credited back to the account). And having been told by the scammer that a second cryptocurrency exchange would only accept funds from Bank M, he made four debit card payments from Bank M between 24 July 2024 and 26 July 2024. He realised he'd been scammed when, having paid what he understood to be a withdrawal fee, he received an email demanding a further fee payment, which he discovered wasn't genuine.

Mr A complained to this service with the assistance of a representative who said Metro Bank should have intervened when he made the first payment, and had it done so it would have identified the hallmarks of a cryptocurrency scam.

Responding to the complaint, Metro Bank said it reached out to the beneficiary banks on 5 August 2024 and recovered £20. It said funds were sent to Mr A's own cryptocurrency wallet and his own account with Bank M, where the loss occurred.

Our investigator didn't think the complaint should be upheld. He noted Metro Bank flagged the first payment for further checks, but Mr A didn't call back and so the payment was reversed. He was satisfied this was reasonable.

He thought Metro Bank should have intervened before the third payment and that a proportionate response would have been for Metro Bank to have called Mr A to discuss the payment in further detail before allowing it to be released. But he didn't think this would have made any difference because on 24 July 2024, he told Bank M he was investing in cryptocurrency, no-one was guiding or helping with the payment, and he hadn't downloaded and software or apps to his device. He was satisfied these responses were misleading, and that Mr A would likely have provided similar responses if Metro Bank had intervened.

He further noted that Bank M warned Mr A that genuine investment companies would be regulated by the Financial Conduct Authority ("FCA") and if he was contacted through social

media or a group chat by someone claiming to be a financial advisor or an investor, it was likely to be a scam. He was satisfied this showed Mr A was ignoring scam warnings and so even if Metro Bank had provided a similar warning, its likely he'd have still wanted to go ahead with the payments.

Mr A wasn't satisfied and has asked for his complaint to be reviewed by an Ombudsman. His representative has argued that Bank M didn't question him about the end destination of the payments, how he heard about the platform, what returns he was expecting, whether he'd made any withdrawals, and whether he'd been asked to pay fees and taxes. They've also stated that Mr A was asked whether he'd downloaded any apps or software, which isn't the same as asking whether he'd downloaded remote access software, and that Bank M should have ended the call because Mr A was distracted.

The representative has argued that Metro Bank should have intervened when Mr A made the first payment, commenting that he repeatedly transferred money into the account before sending it to a cryptocurrency exchange, with the account repeatedly drained over a three-day period.

They accept Mr A said the platform was recommended by friends, but they've suggested its possible he'd heard about it through friends as well as the scammer. And they've argued the fact he told the scammer the investment was too good to be true doesn't mean he should've realised he was being scammed when Bank M said it to him nine days later.

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've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr A has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr A 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, he is presumed liable for the loss in the first instance.

There's no dispute this was a scam, but although Mr A didn't intend his money to go to scammers, he did authorise the disputed payments. Metro Bank is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

I've thought about whether Metro Bank could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to a genuine cryptocurrency exchange company. However, Metro Bank ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mr A when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Metro Bank to intervene with a view to protecting Mr A from financial harm due to fraud.

Metro Bank blocked the first payment, and it was subsequently reversed. I agree with our investigator that it should have intervened again before the third payment because this was a £5,000 payment to a high-risk cryptocurrency exchange. I think a proportionate response would have been for Metro Bank to have questioned Mr A about the payment but, based on the responses to the questions he was asked by Bank M on 24 July 2024, I don't think he'd have disclosed key facts about the investment which would have enabled it to uncover the scam.

As Mr A was paying a cryptocurrency merchant, I would still expect Metro Bank to have given him a warning tailored to cryptocurrency investment scams. But he went ahead with payments from Bank M after being given a relevant warning, he believed the investment was genuine because the involvement of J made it seem legitimate, and it's clear he trusted the scammer to the extent he was prepared to lie to Bank M to ensure the payments were processed. He was also reassured by the scammer when he queried why he'd seen negative reviews online. So, while I think Metro Bank should have given him a warning about cryptocurrency investment scams, I don't think it would have stopped the scam.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mr A paid an account in his own name and moved the funds onwards from there.

Compensation

The main cause for the upset was the scammer who persuaded Mr A to part with his funds. I haven't found any errors or delays to Metro Bank's investigation, so I don't think he is entitled to any compensation.

I'm sorry to hear Mr A has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Metro Bank is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined above, 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 A to accept or reject my decision before 14 October 2025.

Carolyn Bonnell
Ombudsman