

The complaint

Ms S complains that Metro Bank PLC didn't protect her when she lost money to a scam.

A representative who I will call C complains on behalf of Ms S.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary and based on everything sent by both parties, I understand it to be as follows.

In March 2024 Ms S saw an advert on a popular social media platform regarding a job opportunity. She sent her contact details and was approached via an instant messaging app, where she was given more information about the role – whereby she was told it involved completing tasks that consisted of reviewing products to earn money.

As part of the scam, Ms S was required to fund her account on the scammer's job platform. To do this, she purchased crypto from a legitimate crypto provider before forwarding it on the scam. Ms S made 11 payments totalling £12,917.22 over a one-week period.

Ms S received a return of £168.10 after making the first payment, which brings her total loss to £12,749.12.

Ms S realised she had been scammed when she was told she needed to deposit large amounts of money in order to withdraw her earnings, and that she should borrow money from family and friends.

C complained to Metro about the scam payments, but they didn't uphold it. They explained the faster payment transactions were made to an account in Ms S's own name which she had control over - meaning they weren't willing to refund them. And the debit card payments had been approved by text message, asking Ms S to confirm if they were genuine. Metro did say that a message hadn't been sent for the final payment of £3,813.79, and so they offered to reimburse that payment.

Unhappy with Metro's response, C brought Ms S's complaint to our service.

Our Investigator looked into everything and was of the view that Metro should refund 50% of Ms S's loss, together with 8% simple interest on that amount, from the point of the seventh payment (4,000). This was because the payment was out of character for Ms S compared to her typical account usage, and she was transferring large amounts from her savings account to fund the transactions.

Because of the risk associated with crypto payments, our Investigator said that Metro should have intervened to carry out additional checks before processing the payment. She believed that if this happened, the scam could have been uncovered and her loss prevented.

However, our Investigator did place some responsibility with Ms S. She said the salary promised seemed high for a simple job, and that Ms S didn't own any of the products she was reviewing, which should have raised concern. Ms S was also asked to send her own money to crypto accounts to fund her work, which again wasn't common and should have raised a red flag.

Ms S accepted the view. Metro however disagreed and because of this, the complaint has been passed to me for review.

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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it, but I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this and it reflects the informal nature of our service.

There is no doubt that Ms S has been the victim of a scam here – she has lost a large sum of money and she has my full sympathy for this.

When thinking about whether it would be fair for me to direct Metro to reimburse Ms S for her loss (or a proportion of it), I would need to find that they reasonably ought to have prevented the payments made, or that they hindered the recovery of them.

I've thought carefully about whether Metro treated Ms S fairly and reasonably in their dealings with her, both when she made the payments and when she reported the scam, or whether they should have done more. Having done so, I agree with the Investigator's view that Metro should reimburse 50% of Ms S's loss from the seventh payment (of £4,000) onwards, with 8% interest. I understand Metro disagree, and so I want to explain why I've reached the decision I have.

I have kept in mind that Ms S made the payments herself and the starting position is that Metro should follow their customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Ms S didn't intend for her money to ultimately go to fraudsters – but she did authorise the payments to be made. However, there are some situations when a bank should have taken a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and, where appropriate, what I consider to be good industry practice at the time - Metro should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that their 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have 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.

- 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.

Because of this, I've thought about whether the transactions should have highlighted to Metro that Ms S might be at a heightened risk of financial harm due to fraud or a scam.

Metro knew or ought to have known that Ms S's payments were going to a cryptocurrency provider. Losses to cryptocurrency fraud reached record levels in 2022 and by the end of 2022, many high street banks had placed restrictions or additional friction on cryptocurrency purchases because of the elevated fraud risk. So, I agree with the Investigator that while the first six payments that were low value didn't present a significant risk of potential financial harm, this changed by the point of the £4,000 payment on 15 March 2024. The value of this payment was out of character for Ms S, as she typically used her account for low value day to day transactions. And it was a significant increase on the prior crypto transactions, which had also been made in about four days (so a short period of time). Because of this, I think Metro had enough reason to suspect Ms S could potentially be falling victim to a scam. And so, it would've been reasonable for Metro to have carried out additional checks before processing the £4,000 payment.

Having decided that Metro should have intervened when the £4,000 payment was made, by carrying out additional checks, I have then gone on to think about whether it would have uncovered the scam. Having read through the chat history between Ms S and the scammer, while I appreciate she had trust in him, I can't see anything to show she was told to mislead Metro in any way if questioned. Nor can I find anything to show that Ms S asked the scammer what she should say, should she be questioned.

There is also nothing to make me believe that Ms S didn't trust her bank. And so, if Metro asked Ms S about the surrounding circumstances of the payment and why she was making it, I think it's most likely she would've been open and honest. I therefore think it's likely that Metro would've become aware that she was purchasing the crypto as part of a job opportunity that she had come across through social media. This would've put Metro on notice that there was a high likelihood Ms S was falling victim to task-based job scam involving crypto. Accordingly, they would've been able to provide an appropriately tailored warning to Ms S, advising her of the risk and not to make the payment(s).

Within the chat with the scammer, Ms S also questioned whether she was being scammed on several occasions before the £4,000 payment was made. This, to me, demonstrates that she had concerns about the legitimacy of the job opportunity at the time. Because of this, I think it's likely that a warning of the type I've described would've resonated with Ms S and confirmed her suspicions. It follows that I think Metro could've prevented her loss from the point of the £4,000 payment onwards.

Contributory Negligence

While I believe Metro ought to have prevented Ms S's loss from the £4,000 payment onwards, I have also thought about whether Ms S should share some responsibility.

Ms S carried out research and the job advert had been found on what she considered a reputable social media platform. She had seen positive reviews online too and so I can understand why she thought the job opportunity was genuine. However, I can't see that a written contract was sent to Ms S, and the salary promised (about £5,000 per month plus commission) seems excessively high for what was a relatively simplistic unskilled job. Ms S also didn't ever see or own the products she was reviewing, and she was asked to use her own money to fund her work, which isn't usually something that happens with a legitimate job.

I therefore agree that there were elements of the scam that ought to have caused concern to Ms S and that she reasonably ought to have conducted further checks before proceeding with the payments. Had she done so, I think she could've uncovered that these types of job opportunities involving completing tasks and crypto funding are highly likely to be a scam.

So, I consider Ms S could've done more to protect herself from the scam and it would be fair to attribute some responsibility to her too. On this basis, I agree it's fair she shares 50% liability for the payments she made to the fraudster.

Recovery

I also need to consider whether Metro did enough after being advised of the scam, to try and recover the funds.

In relation to the payments that Ms S made to a crypto platform in her own name, these wouldn't have been recoverable as she had already sent the money to the scammer.

As some of the payments were made by debit card the chargeback process is relevant. The chargeback scheme is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law.

A chargeback isn't guaranteed to result in a refund, and we would only expect Metro to raise a chargeback if it were likely to be successful. Based on the available evidence in this case, it's not likely that any claim would have succeeded. I say this because Ms S's disagreement is with the scammer and not with the crypto exchange. It would not have been possible for Metro to process a chargeback claim against the scammer, as Ms S did not pay them directly. Metro could only have processed chargeback claims against the recipient of the payments, that being the crypto exchange.

It follows that I don't think Ms S had any reasonable prospect of success if Metro were to have processed chargeback claims because the service is considered to have been provided (that being the supply of crypto).

It follows that I don't think Metro is responsible for the funds not being recoverable.

I'm aware that Metro did agree to refund the final payment in full due to a text message not being sent as part of the payment authentication process. However, Ms S has confirmed she made this payment. And so, I'm not persuaded it would be fair for me to direct Metro to refund it fully in these circumstances. Instead, I think it would be fair for 50% to be refunded for the above reasons.

Overall, I agree with the Investigator that Metro should refund 50% of the money lost from, and including, the payment of £4,000 onwards. Metro should also pay 8% simple interest from the date of each transaction until the date of settlement.

My final decision

My final decision is that I uphold this complaint in part.

Metro Bank PLC should:

- Refund 50% of Ms S's loss from, and including, the payment of £4,000 onwards. A total of £6,271.56.
- Award 8% simple interest on this amount from the date of each transaction to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 24 July 2025.

Danielle Padden
Ombudsman