

The complaint

Mrs S complains that Metro Bank PLC (“Metro”) won’t refund her the money she lost, to what she believes was an Authorised Push Payment (“APP”) scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it all in detail here. But in summary I understand it to be as follows.

In November 2024, Mrs S attended a Christmas fair. She’s said she was approached by a couple (the sellers), who didn’t appear to have a stool at the fair, who were selling several items, including electrical goods and perfumes. The sellers told Mrs S that all of the goods, which were sealed, were original and they had purchased them from a friend.

Believing the items to be genuine and that she was getting a bargain, Mrs S agreed to buy them. She’s said that her intention was to then sell the items on. On 29 November 2024, Mrs S sent £850 from her Metro account, by way of faster payment, to the account details that the sellers gave her.

Mrs S subsequently went on to try and sell the items through a well-known online marketplace. However, having sold items to three or four people she started to receive complaints that the items were counterfeit. Mrs S has said refunds were provided to the people she’d sold the items to, and she is now out of pocket and believes the sellers have scammed her.

Mrs S raised the matter with Metro, but it didn’t agree it was liable to refund Mrs S the money she had lost. In summary, it said as Mrs S had received the goods she’d paid for, this would be classified as a buyer/seller dispute and so the payment wasn’t covered by the relevant reimbursement rules.

Unhappy with Metro’s response, Mrs S brought her complaint to this service. One of our Investigators looked into things but didn’t think the complaint should be upheld. In summary, our Investigator didn’t think there was enough evidence to persuade her that the sellers knew the goods were counterfeit and that they set out to deceive Mrs S, by selling her counterfeit goods. Overall, it was our Investigator’s view that Metro wasn’t unfair in rejecting Mrs S’ fraud claim.

Mrs S disagreed with our Investigator’s view. In summary, she maintained that she’d been the victim of a scam.

As an agreement couldn’t be reached, the complaint has been passed to me for a final 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.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises it to make. However, where the customer made the payments as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payments.

Relevant to this complaint are the APP Scam Reimbursement rules ("Reimbursement Rules"), which The Payment Systems Regulator introduced on 7 October 2024. These Reimbursement Rules put a requirement on firms to reimburse APP scam payments made via the Faster Payments Scheme, in all but very limited circumstances.

The Reimbursement Rules set out the requirements for a payment to be covered. Of relevance here:

- It must have been made as part of an APP scam (whether to a recipient or for a purpose other than the payer intended);

An APP scam is further defined as where fraudulent deception was used to obtain the funds where:

- The recipient is not who the Consumer intended to pay, or
- The payment is not for the purpose the Consumer intended

By contrast, a private civil dispute is defined as a *"dispute between a consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty"*.

So, in summary, in order to determine whether Mrs S has been the victim of a scam I need to consider whether the purpose she and the sellers had for the payment were broadly aligned and then, if they weren't, whether this was the result of dishonest deception on the part of the sellers.

I can certainly see why Mrs S is aggrieved by the actions of the sellers she paid, and I understand why she thinks they scammed her. But having carefully weighed things up, on balance I'm not persuaded there is sufficient evidence to conclude that the sellers set out with the intent to defraud her.

When considering the evidence produced in support of Mrs S' claim of an APP scam, I'm required to reach my findings on a balance of probabilities rather than to the criminal standard. But given the serious nature of the allegations involved, I consider that this must involve convincing evidence, to lead me to find it more likely than not, the underlying purpose was a fraudulent one.

Mrs S paid the sellers, and I've seen nothing to suggest that the person she paid was not the person she intended to pay. From what I've seen, I'm satisfied Mrs S made the payment here with the purpose of buying items, with the intention to sell them on. Mrs S did receive those items, albeit I appreciate that there are now issues surrounding those items which have caused Mrs S to doubt the seller's motivations. – namely that Mrs S has said the goods are counterfeit. But overall, I'm not satisfied the evidence I've seen shows that the seller

intended a different purpose for the payment, or that Mrs S' and the seller's purposes for the payment weren't broadly aligned.

Neither Metro nor this service is in a position to forensically analyse the seller's actions; so, it is hard to know what was agreed and so we must consider the evidence that is before us. In doing so, I've not seen enough to show that the seller set out to defraud Mrs S. I say that as, on balance, there is insufficient persuasive evidence for me to be as sure as I would need to be that the seller was aware that the items were counterfeit. It is equally possible that they, like Mrs S, thought they were legitimate and that they were genuinely looking for a quick sale.

I acknowledge that there were issues with the items Mrs S bought, and that ultimately, she has been left out of pocket, and I'm not saying that there is no issue between Mrs S and the seller, clearly there is. But that does not mean that it would be fair to hold Metro liable for Mrs S' loss.

I know this will be a huge disappointment to Mrs S. I appreciate how strongly she feels about this case, and that what has happened here has had a significant impact on her. But for the reasons I've explained above, I do not consider that it was unreasonable for Metro to decline Mrs S' claim under the relevant reimbursement rules.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 28 January 2026.

Stephen Wise
Ombudsman