

The complaint

Miss M complains that Metro Bank PLC won't reimburse a payment she made from her bank account.

What happened

Miss M has explained that an acquaintance gave her the contact details for an online marketplace seller who had an item for sale that she desired. She spoke to the seller on the telephone, and they advised her to transfer funds for the item to their private bank account, instead of paying via the online marketplace's secure payment platform, because it was quicker to pay that way and the seller's marketplace account was blocked. Miss M has said that the seller had priced the item at around £100-£200 less than she'd seen elsewhere, and she decided to go ahead with the purchase. In February 2024, she sent £500 to the seller via faster payment from her Metro account. However, the item was never received.

Miss M raised a fraud claim with Metro. Metro was unable to recover her money from the seller's bank account, and it declined to reimburse her under the Lending Standards Board's Contingent Reimbursement Model ('CRM Code').

Miss M asked this Service to consider a case against Metro. Our investigator looked into things and thought that Metro should reimburse Miss M. Metro didn't agree, so the case was passed to me to decide.

My provisional decision

I issued my provisional decision on 6 May 2025. I'll set out my findings below.

It's important to state at the outset that I have not seen any persuasive corroborative evidence that a scam has occurred here. But, even if Miss M has fallen victim to a scam, I don't think it would be fair or reasonable to require Metro to reimburse her financial loss. I'll explain why.

Metro was signed up to the CRM Code, and it was in force when the disputed payment was made. The CRM Code requires firms to reimburse customers who have been the victims of Authorised Push Payment ('APP') scams in all but a limited number of circumstances. Metro has argued that one of the exceptions applies in this case. It says that Miss M made the payment without a reasonable basis for belief that the payee was the person she was expecting to pay, the payment was for genuine goods or services and/or the business or person she was transacting with was legitimate.

In thinking about whether Miss M had a reasonable basis for belief, I've considered what steps she took to reassure herself about the legitimacy of the transaction, and whether it was reasonable for her to proceed with the payment.

Miss M has said that the item she was purchasing was priced at around £100-£200 less than she'd seen elsewhere. I accept that sometimes, items are sold for less than the retail price to obtain a quick sale. But it seems that the price Miss M was expecting to pay for the item she

was purchasing was very good and could be considered too good to be true. I would've expected Miss M, or anyone else, to be put on guard, and to have taken steps to protect themselves from financial harm before handing any money over. Especially as the seller had asked her to move away from paying on the online marketplace's secure payment platform as their marketplace account was blocked and send money directly to them instead. But Miss M has admitted that she didn't carry out any checks on either the seller or the item. She simply relied on her acquaintance's recommendation.

I think that Miss M ought reasonably to have taken extra care here. For example, she could have:

- asked to see the item in person.
- checked the seller's independent reviews.
- asked to pay for the item via a more secure method than bank transfer.

Overall, I don't think I can reasonably conclude that Miss M had a reasonable basis for belief on this occasion. So, I'm not persuaded that Metro should've reimbursed her because of any obligation under the CRM Code.

Given the nature and value of the payment Miss M made and considering Miss M's usual account activity at the time, I wouldn't have expected Metro to have identified an APP scam risk. So, I'm not persuaded that Metro ought to have taken any further action to prevent financial harm from fraud. And I've seen that Metro took reasonable steps to recover Miss M's funds when she raised a fraud claim with it.

Responses to my provisional decision

Metro didn't respond to my provisional decision.

Miss M let me know that she doesn't agree with my provisional findings. In summary, she said that:

- £500 is a significant amount of money for her to lose to fraud.
- chasing a resolution to this issue has caused her a considerable amount of stress.
- she doesn't feel that her concerns have been taken seriously.
- our investigator upheld her complaint.

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 empathise with the situation Miss M has found herself in – she has my sympathies. However, as neither party has provided any new information or evidence for me to consider, I see no reason to depart from the conclusions I set out in my provisional decision.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 18 June 2025.

Kyley Hanson

Ombudsman