

The complaint

Mr H brings the complaint on behalf of Q, a limited company. He complains that Metro Bank PLC failed to prevent Q's loss after it fell victim to a scam.

What happened

In July 2023 Q was in correspondence with someone it believed was a long standing supplier. It received an email advising the supplier had changed its bank account and it requested that Q pay the attached invoices to the new bank account rather than the one used previously.

Q updated the bank details it held for the supplier and paid the invoice. Unfortunately, these emails were not genuine, and Q had been contacted by a scammer pretending to be the supplier.

As a result, Q made the following payments it intended for its supplier to the scammer's Metro Bank account:

Date	Amount (in GBP received by Metro Bank)
5 July 2023	£457,179.83
5 July 2023	£9,071.54
6 July 2023	£3,703.30
12 July 2023	£59,617.09
12 July 2023	£80,070.96
Total	£609,642.72

Q discovered it had been the victim of a scam and reported this to its bank, which contacted Metro Bank on 11 August 2023 to request the funds were returned. As no funds remained in the account on this date there was nothing for Metro Bank to return.

Mr H complained to Metro Bank in July 2024. He felt it ought to have recognised the account belonged to a scammer and prevented the payments being made.

I issued my provisional decision in October 2025. I said:

- I was satisfied Metro Bank carried out reasonable checks, in line with its obligations, to verify the identity of the account holder. I also thought it did its due diligence, as far

as I'd reasonably have expected it to, when opening the recipient's account. So whilst the account was later used to receive fraudulently obtained funds I did not think Metro Bank had missed an opportunity to prevent Q's loss when the account was opened.

- Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I said Metro Bank should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering and preventing fraud and scams. And, where it identified any potential risks I thought it should've had systems in place to effectively intervene and where necessary, carry out further checks proportional to the risks identified.
- Metro Bank provided our service with evidence that before Q made its first payment to the account it had identified the account was a risk. It had given its customer notice the account would be closed. During this notice period, the account received a payment of around £450,000 from an international account. This payment was significantly outside of the usual use of the account. When the customer had opened the account, they'd given a predicted turnover, of which this one payment was around 30%, and said they never did business internationally. Based on all of these potential risk factors, I said Metro Bank ought to have intervened when this payment was received into the account.
- I would've expected Metro bank to have intervened with a view to finding out more about the source of the payment and while it looked into this I would've expected it to have restricted the account to prevent the funds being moved on. I wouldn't have expected the investigation to be instant and so I didn't think this would've likely prevented the subsequent payments being made, but it would've prevented them from being moved on. So when Q's bank got in touch to confirm it'd been scammed, the money would've likely been returned. Overall I thought Metro Bank had missed an opportunity to prevent Q's loss.
- Whilst I thought Q had been the victim of a sophisticated scam, I thought it shared liability for the loss. It had received an email it thought was from a known supplier changing their bank details without much explanation. The new bank details were for a bank in a different country to the supplier. And whilst Q had a checking process in place I didn't think it had done enough to verify the change in details before sending the payment of around £450,000. It had spoken to the supplier over the phone in the past, I thought a phone call to verify the payment details would've been a reasonable and proportionate check for it to have made.
- Because I thought both parties shared liability in this case, I said Metro Bank should reimburse Q 50% of the payments it had made to its customer's account. I also said it should pay 8% simple interest on this amount from 14 August 2023 – the date it likely would've been able to return the funds had it intervened as it ought to have done.

Metro Bank accepted the provisional decision. Q didn't. It said that:

- It would accept 40% of the liability for the first payment sent to scammers but felt Metro Bank should be liable for 60% of the loss as it had an obligation to identify and intervene when it identified a risk.
- It normally communicated with its supplier by email so didn't find this unusual. Q asked the supplier for a 'company stamped' letter confirming the change of bank details which the scammers convincingly forged. The request was escalated to a manager and accounting department for processing which was in line with its processes.
- Q felt that if Metro Bank had intervened as it should've in this case, it would've warned Q of its concerns and no further payments would've been made to the account. So it felt all payment except the first should be refunded in full.

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've also considered what Q has said in response to the provisional decision very carefully. But overall I'm not persuaded to depart from the findings in my provisional decision.

With regards to the first payment, I accept Q may have followed its internal processes and it may have asked for written confirmation of the change in details. I also accept it wouldn't necessarily expect its emails to have been intercepted. But Q has a responsibility to take reasonable steps to protect itself against the risk of scams.

Metro Bank isn't at fault for the fact that either Q, or its suppliers', email account was compromised and emails were intercepted. And whilst it does have a responsibility to monitor its accounts, Q is a business that also has a responsibility to carry out proportionate, and effective, checks. I understand Q may have tried to verify the change in details, but it tried to do so by asking for confirmation in the same channel of communication. And whilst it asked for a stamped letter, it's not clear how this would've reassured Q the change was genuine, or how it could verify the stamped letter was genuine.

If the scammer had access to Q's email account (or the supplier's) it would've had access to this kind of documentation as well as all previous correspondence between Q and the supplier.

It's clear Q did have some concerns about the sudden change in payment details as it asked for a form of verification. But I don't think the verification it asked for provided the reassurance it needed and it's not clear why Q thought it would. Q had spoken to its supplier over the phone in the past so this was an option available to it. I think using this separate channel of communication, where in the moment checks could've been carried out, would've been a reasonable step to take. And I think making this phone call would've been a proportionate check given Q was sending such a large payment to a new account.

With regards to Q's comments that had Metro Bank acted as it should've, it wouldn't have made any of the subsequent payments to the scammers, I have considered this carefully but I don't agree.

Metro Bank didn't intervene as it should've and so we can't know exactly what would've happened had it done so. What I would've expected, as I've said, is for it to have tried to find

out more about the payments made to the account and stopped them moving on while it looked into things. I would've expected this investigation to have involved questioning the account holder, not the sender of the money.

Q's payments were all made within seven days of the first. Metro Bank wouldn't have been able to find out all the information it needed instantly and I'd typically expect investigations of this nature to take around 10 days as they may involve requesting information from the parties linked to the account. And Metro Bank wasn't required to immediately return the funds while it looked into things.

So whilst I'm satisfied that had Metro Bank acted as it should've this would've prevented the loss – because it would've prevented the money having been moved on while it looked into things – I don't think it likely would've uncovered the scam before Q's other payments were made.

In the same way that Metro Bank would've prevented all of the loss if it had taken the steps I think it ought to have done, the same can be said of Q's actions. Had Q taken proportionate steps to check the change in payment details before it made the payments, it too would've prevented the entire loss. For this reason I think it's fair to apportion 50% of the liability to each party.

Redress

- Metro Bank should reimburse Q 50% of each payment Q made to its customer's account (£304,821.36), in the account currency (GBP)
- It should add 8% simple interest to this amount from 14 August 2023 until the date of settlement. This amount should also be paid in GBP.

Q contacted Metro Bank on 11 August 2023 to let it know it had been the victim of a scam, and its bank sent indemnity claims further supporting this on 14 August 2023. I think at this point Metro Bank would've had enough information to return the funds.

Had Metro Bank intervened as I think it ought to have done, the loss prevented would've been the money leaving the Metro Bank account in, not the payments made by Q. Q's funds were in GBP when they were moved on from the Metro Bank account and lost, so this is the currency the settlement should be paid in.

With regards to the exchange rate, I have considered that there are constant fluctuations in the exchange rate which may mean that the amount Q would've received in August 2023 – when I think the money ought to have been returned – and when the money will be returned may differ. It's difficult to predict exactly what the difference would've been as we don't know exactly when the funds would've been returned and we don't know what Q would've done with the money. Overall I'm satisfied the 8% interest Metro Bank has been instructed to pay compensates Q for having been deprived of the funds overall.

My final decision

I uphold this complaint and direct Metro Bank PLC to pay the settlement outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Q to accept or reject my decision before 4 December 2025.

Faye Brownhill

Ombudsman