

The complaint

Mr L says Metro Bank PLC ('Metro') didn't do enough to help when he fell victim to a cryptocurrency investment scam. He says Metro should reimburse the money he lost.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

In summary, Mr L fell victim to a cryptocurrency investment scam. In or around October 2022 Mr L came across an advert on social media for a cryptocurrency investment company – whom I'll call Company A. Mr L contacted them and says he made a payment of around £200. He says he checked his online wallet daily, but didn't see any profit. A few weeks later Mr L was then contacted by a broker from Company A who advised him he had made £9,000 profit. Mr L was told that in order to get the money, he needed to pay £3,000. On 15 November 2022, Mr L says the broker assisted him in topping up his account held at another banking provider – whom I'll call R, with £3,000. From R a card payment for £3,000 was then made to a cryptocurrency exchange provider. It seems this was for the purchase of cryptocurrency which was sent on.

Mr L was then told by the broker that he had around £80,000 profit and he needed to send a further £25,000 to obtain his profit / funds. Mr L says the broker from Company A assisted him in applying for a loan of £12,000, and the broker advised Mr L to inform him when the loan had been received. Mr L says the loan was granted but he wanted to use the money as he had lost all his savings and wanted to purchase a Christmas gift for his son. Mr L told the broker the loan had not been approved and the broker from Company A stopped contacting him.

Mr L reported the matter to Metro, in branch, on 9 December 2022. Mr L wanted Metro to attempt to recover payments he had made to his account at R as a result of the scam:

Below are the payments Mr L made to R that he wanted Metro to recover:

<i>Date</i>	<i>Type of transfer</i>	<i>Amount</i>
04/11/2022	Card payment to Mr L's account at R	£100
15/11/2022	Card payment to Mr L's account at R	£3,000
	<i>TOTAL LOSS</i>	<i>£3,100</i>

It appears, as the payments Mr L made from his Metro account to his account at R were card payments, that Metro sought to recover the funds through a 'chargeback'. There was also a third card payment Mr L wanted to dispute that was also added to the list of disputed transactions. This third payment was not related to the cryptocurrency investment scam Mr L fell victim to and was in relation to a merchant claiming funds in error. Metro wrote out to Mr L asking for further information about the transactions. Metro didn't receive a reply. This was due to Mr L's personal circumstances at the time, whereby he wasn't residing at the address Metro held – so he didn't receive the letters Metro had sent. When Mr L subsequently contacted Metro, in June 2023, Metro advised that he was outside of the time limits that apply under the chargeback scheme as more than 120 days had passed since the transactions had been made.

Unhappy, Mr L brought his complaint to our service in May 2024.

In its submissions to this service, Metro advised that it could have been clearer with Mr L around the chargeback process and offered £175 for the distress and inconvenience caused.

Our Investigator reviewed the matter and upheld the complaint in part. Overall, they considered Mr L had authorised the card payments to his account at R and they didn't think Metro ought to have done more to identify the payments as potentially fraudulent in the circumstances.

With regards to the recovery of any funds, and the chargeback process, they agreed Metro could have been clearer about the process and timescales involved. But they also considered that in this situation, any chargeback raised would be against the merchant. And here, for the two card payments made to R, R would have successfully defended any chargeback raised against it. And this was because R would have provided the services asked of it. In short, Mr L's account at R was topped up with the £100 and £3,000 as Mr L intended.

So, the Investigator considered Metro's offer of £175 for the distress and inconvenience caused around the chargeback process was fair.

Mr L has asked for an ombudsman's final decision. So, as the matter hasn't been resolved, it's been passed to me to decide.

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 in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm aware that I've summarised this complaint and the responses 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 – which is to determine whether Metro should have done more to prevent or recover Mr L's losses. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. 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. This simply reflects the informal nature of our service as an alternative to the courts.

Having thought carefully about Metro's actions, I'm upholding Mr L's complaint in part. I appreciate Mr L was a victim to a cruel scam. But in weighing everything up, I don't think I can fairly say Metro should be liable to reimburse him. However, the service Metro provided Mr L fell short of what I'd expect. And its subsequent offer of £175 to recognise this, is fair. I'll explain my reasons.

The relevant law and regulations in place at the time

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

Here, Mr L with the assistance of the scammer, authorised the card payment to his account at R. Mr L knew the amounts and intended for these payments to go to R – and this was so that he could then send them on in order to release what he thought was his £9,000 profit. So, it is the case that Mr L authorised the payments that are in dispute. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr L is responsible for them. And that remains the case even though Mr L was the unfortunate victim of a scam.

However, there are times when I might expect a bank to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Metro) should fairly and reasonably have been on the lookout for suspicious or out of character activity in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

What does this mean for Mr L?

In this case, I need to decide whether Metro acted fairly and reasonably in its dealings with Mr L when he made the payments, or whether it should have done more than it did.

I've thought about this carefully. Having done so, I can't fairly say the payments Mr L made would (or should) have alerted Metro that Mr L was potentially at risk of financial harm, to an extent whereby it should have carried out some additional checks before processing the payments. So, I don't consider Metro are liable for the losses Mr L incurred. I'll explain why.

I have to be mindful that banks process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

Here, I don't consider there is anything unusual or remarkable about the payments or the amounts that ought to have alerted Metro to the possibility Mr L was being scammed or was at risk of financial harm. The first payment was for £100, and while I appreciate the second payment was for £3,000 the amount wasn't so significant that I would expect Metro to carry out some additional checks on it. I don't consider there was anything about the payment that might have indicated to Metro that Mr L might be at risk.

I appreciate that Mr L has said in 2020 he fell victim to a scam, and Metro ought to have known he was more susceptible to scams. But I am mindful these payments were sometime after, and I don't consider it unfair for Metro not to consider the card payments he made as potentially fraudulent or that there were any concerning features that might have indicated Mr L was at potential risk of financial harm. And I don't consider there were any reasonable grounds here for Metro to intervene in the payments that had been made.

So, all things considered; I think it was reasonable that the payments didn't flag as suspicious – and I can't say Metro acted unfairly here or that it could have prevented Mr L's loss.

Recovery of the funds – the chargeback process

I have also considered whether Metro did all it could to try and recover the money Mr L lost. I agree with our Investigator here. Metro could have certainly done better by Mr L. In short, it ought to have been clear to Metro that for two of the card payments Mr L was disputing, while card payments, they were payments that were going to an account in Mr L's own name at R. So, there was no prospect of a chargeback being successful for those two card payments. Any chargeback raised against R would have been successfully defended by R. And this is because R had carried out its services, as Mr L's account at R received the intended funds. Metro ought to have been able to establish this from the outset and advise Mr L accordingly.

I appreciate that at the time Mr L raised the card payments, there was a further card payment to a merchant that was raised which wasn't a part of a scam but was a payment taken by a merchant seemingly in error. So, Metro did arguably need further information around that payment and confirmation from Mr L that he had attempted to resolve the matter with the merchant before proceeding with any chargeback (as per the chargeback guidelines). So, it could have explained the applicable timescales involved with chargebacks to Mr L at the outset which it seemingly didn't. But I do note that Mr L has subsequently said he received that amount back for that disputed transaction. So, it appears it was resolved outside of the chargeback process and the funds have been reimbursed to Mr L.

When considering the above, and what is fair and reasonable in the round, I find Metro's compensation award to Mr L of £175 is fair. It didn't provide the best service to Mr L and could have been clearer around the process for the three card payments Mr L was attempting to dispute and recover, and especially for the card payments that went to Mr L's account at R. And it could have been clearer about the applicable timescales involved under the chargeback process. So, there were some failings, but these haven't had a detrimental financial impact on Mr L. However, I am mindful Mr L could have reasonably chased matters sooner when he hadn't heard from Metro. So overall, the compensation amount of £175 Metro has offered, is to my mind, a fair amount in recognition of the service Metro providing Mr L falling short of what I'd reasonably expect.

Summary

While I appreciate Mr L's been the unfortunate victim of a cruel scam, I think Metro's decision not to refund him in this instance was fair and reasonable in the circumstances.

I say this because I'm satisfied Metro followed Mr L's instructions to make the payments and I haven't seen any reason why it shouldn't have done this. And unfortunately, there wasn't anything further Metro could do to help Mr L recover the card payments made to R, such as a chargeback, as there was no prospect of success given the nature and purpose of the payments Mr L made. I also find Metro's offer to compensate Mr L £175 for the service it provided around the chargeback process fair, and I don't direct it to do anything further.

Putting things right

If it hasn't done so already, Metro Bank PLC should pay Mr L £175 as compensation for the service it provided Mr L.

My final decision

For the reasons explained above, I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 June 2025.

Matthew Horner
Ombudsman