DRN-5616815

The complaint

Mr D complains that Metro Bank Ltd won't refund or recover the money he lost when he was the victim of a scam.

What happened

In March 2024 Mr D booked return flights for his family through a travel agent which I'll call T, the flights were with British Airways (BA). In July 2024 Mr D received an email from BA stating that the return flight he'd booked had been cancelled. Mr D tried to contact BA, but when he was unable to, he searched online for T's details and gave them a call on the number he had found.

The individual Mr D spoke to said the original cost of the return flight would be refunded, but that he would need to pay over £3,000 immediately to secure a new return flight. Mr D made two payments, on 8 July for £2,355.96 and on 9 July for £660.02. After making this second payment Mr D become concerned, he looked up T's details from his original booking and called them again, T advised that the person he had been speaking to about these payments was not one of their employees and Mr D realised he had likely been scammed. He contacted the person he'd been speaking with, the scammer, to ask for a refund, but did not receive any of his money back. Mr D raised his concerns with Metro.

Metro looked at what had happened, but did not agree it was liable for Mr D's loss. It sent him its final response on 8 August 2024 stating that Mr D had authorised the payments, and so it would not be refunding them. It noted that it had contacted the merchant, which had said it would attempt to recover Mr D's funds from the airline, but said that any further actions by the merchant were outside Metro's control. Mr D was unhappy with this response, so he referred his complaint to our service.

One of our Investigators looked into what had happened, but ultimately they considered that Metro had treated Mr D fairly here. They said that Metro could not have reasonably prevented the payments from being made and that there was no reasonable prospect of a chargeback being successful. So, they did not consider that Metro could have done anything to help prevent this scam, or to recover Mr D's money.

Mr D remained unhappy, he feels that if Metro had acted more quickly then he would have been able to recover some of his loss, he is also generally unhappy with Metro's communications with him and the time taken for his concerns to be considered. So, as no agreement could be reached, this case has now 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.

Having done so I've reached the same conclusion as our Investigator, and for largely the same reasons.

It’s not disputed that Mr D authorised the payments that are the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr D is responsible for those payments. That remains the case even though he was the unfortunate victim of a scam.

Because of this, Mr D is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

So, I’ve thought about whether Metro could have done more to prevent the scam from occurring altogether. Metro ought to fairly and reasonably be alert to fraud and scams, so I need to consider whether it ought to have intervened to warn Mr D when he tried to make the payments. But considering the value and nature of the payments, in the context of Mr D’s usual account usage, I don’t think there was anything that should have flagged to Metro that Mr D might be at risk. The payments were, both in the context of the payments Metro sees every day, and in comparison to the payments regularly made from Mr D’s account, not so high as to be remarkable. And while there were multiple payments in a short space of time, these were to an apparently legitimate retailer, and would not necessarily have been a cause for concern. The payments were also authorised using 3D Secure, so Metro would have been reassured that it was Mr D making the payments himself.

So, given that I don’t consider these transactions were so out of character as to be particularly remarkable or require intervention, I don’t think Metro missed an opportunity to intervene. And given that they were also card payments, there was no way that Metro could have stopped the payments from leaving Mr D’s account by the time he told it of the scam.

Because of this, even though I accept Mr D was the victim of a scam, I don’t think Metro could have done anything to prevent his loss, and I’m satisfied its decision not to refund the money lost to the scam was fair.

I have though considered whether Metro could have done more to try to recover the money Mr D lost once it was clear that he was the victim of a scam.

Chargeback is the way in which payment settlement disputes are resolved between card issuers and merchants. They are dealt with under the relevant card scheme rules, in this case that’s Mastercard. In certain circumstances the process provides a way for Metro to ask for a payment Mr D made to be refunded. There is no obligation on a card issuer to raise a chargeback, nor does the raising of one guarantee a refund for the card issuer’s customer. But I would consider it good practice for a chargeback to be attempted where the right exists and there is a reasonable prospect of success.

But in this case, having considered the merchant’s responses to Metro, I think it is reasonable to conclude that any chargeback would have had no reasonable prospect of success.

The merchant provided evidence to show that flights had been booked and the booking on one of those flights had been used. The merchant confirmed it would be able to cancel the other booking and try to recover money from the airline. I acknowledge that Mr D did not receive the flights he had paid for, but the merchant did provide the service it had been asked to provide regarding the first flight, and cancelled the flight that had not yet been used. Whether that cancellation resulted in any refund of the funds was down to the travel agent and the airline, it’s not something that the chargeback scheme or any other rules and regulations make the responsibility of Metro. With that in mind I can't see how any further pursuit of the chargebacks would have been successful. There is no doubt that Mr D was the victim of a scam, but that does not mean that the merchant – or Metro – is responsible for his loss in the circumstances of this case.

Overall, I have every sympathy for Mr D, and I know my outcome will not feel fair to him because it is clear that he lost out financially. But, having considered these matters carefully, I can't fairly say that Metro must refund these payments when the relevant law, rules and codes of practice do not place that responsibility on it. So, I don't consider that I can fairly say Metro should be held liable for Mr D's loss or that it could have done more to recover the funds.

I acknowledge what Mr D has said about the time taken for Metro to contact the merchant and the overall time his complaint has taken. But I'm satisfied that Metro acted appropriately, and told Mr D of its position within a reasonable period of time. And I cannot see that contacting the merchant any earlier would have led to a different outcome here, given the circumstances set out above.

I'm sorry to disappoint Mr D, but I can see no basis on which it would be reasonable to ask Metro to refund his loss or to otherwise pay him compensation for what has happened here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 18 September 2025.

Sophie Mitchell
Ombudsman