

The complaint

A trust I shall refer to as L complains that Metro Bank Plc didn't do enough to prevent them from falling victim to a scam.

L has appointed professional representatives for this case, but for ease of reading I will mostly refer to L and the trustees.

What happened

L is a small self-administered scheme (SSAS) established under trust. The trust is administered by a trustee I will refer to as D, who hold an account with Metro. In December 2018, a member trustee of L called Mr K says he found an investment opportunity online which offered a 300% annual return. He says he did his due diligence at the time and was persuaded to enter the investment. L agreed with a company I'll refer to as H to lend them £10,000. After this Mr K says he had no further contact with them. By 2019 H had entered administration and was ultimately dissolved, and L did not receive their funds back.

In 2024 Mr K complained to Metro, saying that he believed he'd been the victim of a scam. He felt Metro should have done more to question the payment before it was made, and had they done so it would have prevented the losses to L. Metro responded to say that they could not accept a complaint from Mr K, as they don't have a direct relationship with him. They said they provide account services for the SSAS, but their customer would be D.

Not happy with this answer Mr K referred L's complaint to our service. Metro initially had concerns that we couldn't consider this complaint because of the lack of direct relationship with L. But our investigator got confirmation from D that they satisfied that the nature of the trust meant Mr K could represent L in this way.

Our investigator didn't think Metro needed to do anything further. She reasoned that the evidence that H were running a scam was limited. And she reasoned the payment wasn't unusual enough for the account it was paid from that Metro ought reasonably to have intervened.

L disagreed, saying that H showed clear signs of being a scam, and that the director involved had shown signs of fraudulent behaviour in other companies. They said had Metro intervened and flagged the payments for review, they would have had grave concerns about the investment, and the loss would have been prevented. But this didn't change the investigator's mind. As no agreement could be reached the complaint has 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 broadly the same outcome as the investigator. I appreciate this will be disappointing to the trustees of L, but I'll explain why.

It is unclear here whether H were running a scam – I acknowledge the points L has raised about the interest rate being unrealistically high, and H not filing accounts past 2017. But I have read the administrator's reports into H, and there doesn't seem to be any suggestion of fraudulent activity in this. H was dissolved in 2020, so it seems unlikely that any new or relevant evidence is going to be forthcoming. But, even if I were to accept that H were running a scam, or borrowed from L with no intention of repaying the debt, then I'd still wouldn't be satisfied that Metro ought to reasonably be responsible for refunding L.

There's no dispute that the payment was authorised and agreed to at the time. Under the relevant regulations there's no expectation that Metro should be responsible for refunding L if something has subsequently gone wrong. But Metro, like all banks in the UK, have obligations to monitor accounts and payments for signs of financial harm – such as fraud or money laundering. If a transaction looks out of place, or presents a significant risk of financial harm, then I may expect a bank to intervene and ask further questions. This may involve presenting relevant warnings or going as far as contacting their customer to discuss it further. The hope is that any fraud or scam would be uncovered.

The account the £10,000 was paid from was owned by D and had been used to make payments for D's clients. The £10,000 paid by L doesn't stand out as a particular unusual or significant amount compared to the previous activity on the account – including those seemingly connected to L. For example, there are payments of £41,000 in March 2018 and £25,000 in November 2018, both of which refer to L. And I'm mindful that this type of account is used for SSAS' to make investments. So, the purpose wouldn't be unusual.

Overall, I'm not persuaded that Metro ought to reasonably have intervened here – there is nothing significantly out of character or unusual happening when processing this payment. I can't see that there was an opportunity that they missed to prevent any losses to L. As such Metro do not need to do anything further here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 5 August 2025.

Thom Bennett
Ombudsman