

## **The complaint**

Mr O complains that Metro Bank PLC won't refund disputed transactions made from his account.

## **What happened**

Mr O has an account with Metro.

In September 2024 he reported unauthorised transactions totalling just over £2,200 carried out from his account.

Metro explained the disputed transactions were carried out via a digital wallet. And this was set up using Mr O's card details and approved via a text message sent to Mr O's phone number. So, they couldn't fairly conclude the transactions were unauthorised.

Mr O didn't agree so brought his complaint to our service.

One of our Investigators looked into Mr O's complaint. Overall, they thought Metro acted fairly in concluding the transactions were authorised.

But Mr O didn't agree. In summary he argued that his partner had sent an email to our service which proves he didn't authorise the payments. He highlighted two key points, firstly that the phone numbers associated with the goods purchased don't belong to him and secondly, he wasn't sent text messages by Metro for each transaction carried out – which he argues he should have been.

As Mr O didn't agree 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.

I've seen evidence to show the disputed transactions were authenticated via Mr O's card loaded to a digital wallet. However, the relevant legislation – the Payment Service Regulations (PSRs) 2017 - says on its own that's not enough to say Mr O should be held liable. Mr O also needs to have consented to them. On reviewing the relevant evidence I'm satisfied it's fair for Metro to conclude he did, and I'll explain why below.

Mr O's raised several points in response to our Investigator's view – but I'm afraid they don't change my opinion on whether or not the transactions were authorised or not. I haven't seen a copy of the email Mr O's referred to, as our service can't locate it, but based on the arguments I understand it contains it wouldn't change my outcome. Even if a phone number that doesn't belong to Mr O was provided to the merchants this doesn't demonstrate whether or not a payment is authorised – the key question I'm considering here is how the digital wallet was originally set up and approved, and whether this could have been carried out without Mr O's knowledge. Even if Mr O wasn't aware of each and every disputed transaction carried out, if he consented for a third party to have access to his virtual card on

their device then the transactions are considered as authorised under the relevant legislation.

Secondly Mr O's argued that Metro didn't send him a text message when each disputed transaction was carried out. I understand Mr O's argument here, but Metro isn't under any obligation to notify their customers about each, and every transaction carried out from an account. They do have a responsibility to identify suspicious and unusual account activity, but I wouldn't have expected the disputed transactions to have been identified as suspicious or unusual by Metro.

The transactions were authenticated using Mr O's card which was loaded to a mobile phone's digital wallet. Metro have shared that for Mr O's card to be added to the digital wallet a fraudster would first have needed Mr O's card details (long card number, expiry date and CVV). Mr O's advised he hasn't shared his card details with anyone nor lost his debit card, which makes it difficult to see how a fraudster could have obtained them. Once Mr O's card details were added to a digital wallet the card needed to be approved. I've seen evidence from Metro that Mr O's card was approved to be added to the digital wallet on 6 August 2024 via a text message sent to his registered phone number. I can see Mr O's argued that the text message wasn't sent to *his* phone number – however when speaking with Metro Mr O confirmed the phone number he had at the time of the alleged fraud and I'm satisfied this is the number Metro sent the text message containing the verification code to. This means a fraudster would have needed to obtain *both* Mr O's card details and his mobile phone without his knowledge to set up the virtual card in their digital wallet. I don't find this plausible.

Mr O's explained that at the time of the disputed transactions he didn't have a smartphone, meaning he can't have added his card to a digital wallet. However, I've seen evidence from Metro showing some of Mr O's previous cards were added to digital wallets. I've also seen that Mr O's card was added to a digital wallet almost three weeks *prior* to the first disputed transaction. I find it surprising that after successfully adding Mr O's card to a digital wallet a fraudster would wait this long before using it.

I understand Mr O feels very strongly about this complaint, however, for the reasons I've outlined above I think it's fair for Metro to conclude Mr O authorised the disputed transactions. And for this reason, it's reasonable for Metro to hold him liable for them.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 2 February 2026.

Jeff Burch  
**Ombudsman**