

The complaint

Mrs M complains about Metro Bank PLC.

She says that Metro failed to protect her when she fell victim to a cryptocurrency investment scam and would like it to refund her the money she has lost as a result.

What happened

Mrs M came across an advertisement on social media for investment into cryptocurrency. Intrigued, she registered her interest and was contacted by a representative about investing.

Mrs M found the representative to be professional and persuasive and agreed to invest.

She then made the following payments

- 20 October 2020 - £775.80
- 22 October 2020 - £23.20 (transaction fee)
- 11 December 2020 - £9,000
- 15 December 2020 - £19,000
- 23 December 2020 - £20,000

Unfortunately, Mrs M had fallen victim to a scam and lost her money. She made a complaint to Metro about what had happened, but it didn't uphold it, so she brought her complaint to this Service.

Our Investigator looked into things and thought that the complaint should be upheld in part. They explained that Metro should have done more when Mrs M made the payment of £9,000 and that the scam could have been uncovered at this point. However, they also said that Mrs M hadn't been as careful as she should have been and thought that liability should be split between Mrs M and Metro on a 50% basis.

Mrs M agreed to this, but Metro did not. So, the complaint has been passed to me to make a final decision.

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 decided to uphold this complaint in part, for broadly the same reasons as our Investigator.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Mrs M authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Metro should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Metro should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Metro acted fairly and reasonably in its dealings with Mrs M when she authorised payments from her account or whether it could and should have done more before processing them.

I don't think that Metro needed to get in touch with Mrs M about the initial payment she made (and subsequent transaction fee) as the amount was not particularly large, or otherwise suspicious, and businesses can't be expected to intervene in every such payment.

However, when Mrs M made the payment for £9,000, I think that Metro should have got in touch with her to discuss what she was doing. With this in mind, I think that Metro should have got in touch with Mrs M to discuss the payments she was making, and to gather some information from her – the objective being to uncover a fraud or scam. I haven't seen anything to suggest that Mrs M was told to lie about what she was doing, so I think that she would have explained to Metro that she was making an investment in crypto that she had found on social media, that was supposedly endorsed by a well-known celebrity.

It appears that Metro may have got in touch with Mrs M at this point, but it hasn't been able to evidence in what capacity – so I can't say that it did enough to uncover the scam. However, if it had acted as I would have expected, I think it would have quickly uncovered that Mrs M was very likely falling victim to a scam and provided her with a warning about

this. And I don't think that Mrs M would have ignored such a warning and continued with the payment.

I understand that Metro say that it wasn't the point of loss, as the funds went to an account which it says would have been in Mrs M's name – so it feels that the payments are 'me to me' payments. However, Metro should have been aware of the prevalence of multi-stage fraud – and the risks associated with crypto. So, I can't say that it should not be held responsible for the loss Mrs M has incurred.

Finally, I do need to consider if Mrs M should bear some responsibility for what happened here too. And I agree with our Investigator that responsibility for the loss should be shared between Mrs M and Metro from the point of the £9,000 payment onwards. Mrs M has already agreed to our Investigators view on this, so I won't go into too much detail here, however I will say that I don't think that Mrs M was as careful as she should have been with her money. The investment was found on social media, and while I know Mrs M says this added legitimacy, I can't agree. Social media is not a reputable investment platform. I am also aware that while Mrs M did do some research and found negative reviews, she believed the scammer that 'banks had far more negative reviews' - I would have expected her to undertake some more research in light of what she had found.

Putting things right

Metro Bank PLC should refund Mrs M £24,000, which represents 50% for the loss from the point I think it could have uncovered the scam. On top of this, it should also pay Mrs M 8% simple interest from the date of the payments until settlement (less any lawfully deductible tax).

My final decision

I uphold this complaint in part. Metro Bank PLC should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 30 September 2025.

Claire Pugh
Ombudsman