

The complaint

Mr K complains that Metro Bank Plc (Metro) didn't do enough to protect him from the financial harm caused by a cryptocurrency investment scam.

Mr K has been represented by a claims management company throughout his complaint. I have referred to them as Mr K's representatives.

What happened

Mr K saw an advert on Facebook, advertising an opportunity to make money from trading. The premise of the offer was that he could invest money in investments recommended by a professional trading company. A trader contacted Mr K and advised him to invest a small sum of money. Mr K did this, and after a short while he made profits and was able to withdraw them.

The trader then advised Mr K, if he wanted to continue to open a Metro bank account, and a cryptocurrency account, with a view that he converts his money to crypto and then passes this on to him, to invest on his behalf. Mr K said the trader showed him how to do all of this by using remote sharing software called Anydesk. After doing this, Mr K then said he kept control of the accounts that he had received help to set up.

The trader turned out not to be genuine though and Mr K was the victim of a scam. Mr K's representatives said there were 6 payments in relation to the scam that were made from his Metro account to his new account with an international cryptocurrency exchange. These payments took place between 22 May 2024 and 30 July 2024. The payments were then converted to cryptocurrency and sent on to the scammers' wallet(s).

The scam was quite sophisticated, and after being shown that he could make profit, and withdraw his funds early on, Mr K was then asked to hand over larger sums of money. He said he was shown an account with growing profits and at one stage he was shown a balance of \$76,000. Mr K was then, towards the end of the scam, asked to pay large withdrawal fees. After doing this, Mr K said he then realised he was the victim of a scam. Through his representatives, Mr K complained to Metro about this and said it should have done more to intervene and protect him.

Metro responded on three occasions. Overall, it acknowledged that it should have done more to prevent the payments and so refunded Mr K 50% of the lost funds minus the withdrawals he received. Metro refunded £20,181.05 to him. Although it wasn't explicit in its responses about this, it made the payment as it shared liability with Mr K for the losses he made. Mr K's representatives said Metro should refund all of the payments back to Mr K, and for this reason, referred his complaint to our service.

An investigator from our service concluded that Metro ought to have intervened from the first payment, because it was of a value sufficiently high enough to trigger an intervention when made to a merchant associated with cryptocurrency. She said Metro provided a generic scam warning but should have done more, that would have uncovered the scam. She concluded Mr K should share liability for the losses with Metro, and then said to put things

right, Metro should pay 8% interest from the date Mr K made the payments, to the date settlement was made.

Metro agreed with the investigator's findings. Mr K's representatives didn't though and said Mr K was a layperson and not a fraud expert. They said he was unaware that the software Anydesk suggested that there was a possible scam happening. They said the cryptocurrency market was frequently reporting vast returns and so, the traders discussing similar seemed plausible to Mr K. It disputed that Mr K should share liability and felt Metro should pay for all of Mr K's losses.

The parties are still not in agreement, so Mr K's complaint has been referred to me for a 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.

Metro said it hasn't signed up to the Contingent Reimbursement Model code, being a set of principles that banks have signed up to regarding fraud and scam payments. But it said it follows the code as a rule. In this case though, the code wouldn't apply anyway, as it doesn't cover international payments, and this is what Mr K authorised on the six occasions payments left his Metro account. So, I haven't considered this any further.

As I just said, I also think Mr K authorised the relevant payments, identified by his representatives as being made because of the scam. Under relevant regulation and the terms and conditions of his account, he is presumed liable for the loss. But that's not the end of the story. Metro ought to have been on the lookout for transactions that might have indicated a fraud risk. I would expect Metro to intervene in a manner proportionate to the risk identified.

Metro has acknowledged in Mr K's case that it ought to have done more to prevent all of the payments from being made, and by doing so has paid him compensation for this. It decided to accept liability and paid him 50% of his payments back.

I don't need to say much more about what happened when the payments were made and whether Metro has made mistakes here. Metro said it has and has taken partial responsibility for this. It said it should pay back half of Mr K's incurred losses. This is the crux of Mr K's and his representatives' complaint: that it should take full responsibility for them. Mr K's representatives think Metro should pay the remaining amount to him that he lost but hasn't received back. So, in essence they think Metro should take 100% responsibility for Mr K's financial loss owing to the scam. If I were to conclude this then, Mr K would receive the remaining amount, as his representatives have asked for, and it is this that remains in dispute between the parties.

There's a general principle in law that consumers should take responsibility for their decisions and conduct suitable due diligence. I have considered this further, about whether Mr K should take equal share of the responsibility with Metro, for what happened here. This is what Metro has decided, and I need to consider whether it's been fair and reasonable about this or not.

I have read through all of the documents submitted and I have taken the following points into consideration:

- Mr K was acting on advice from people he'd never met, through a Facebook advert. He didn't as far as I can see, carry out any checks about the people he was dealing with and seemed to follow advice, without knowing if the person giving advice was credible, regulated or legitimate.
- He was not given any paperwork about his arrangement with what he thought, was a legitimate business. He didn't have a contract, terms and conditions of service or correspondence, and didn't query this.
- He was asked to send his money, to a cryptocurrency exchange and then hand this over to the trading company, even though he was investing in stocks and shares, something that didn't require this convoluted level of payment method, without this causing him concern.
- He was offered significant potential returns. He was not being asked to trade in cryptocurrency or high-risk trading like derivatives, with high upside but also a potential for heavy losses too. Instead, he was being recommended safer stocks and shares investments with a high, unrealistic upside only.

So, even though I accept this was a sophisticated scam, I think Mr K went ahead with the payments of sizeable amounts despite some very clear warning signs and that he should have done more checks before deciding to go ahead, such that I don't think it's unfair to say Mr K should have been more careful with his payments. Consequently, I think Metro's offer and reimbursement, with it sharing liability equally with Mr K to be a fair one.

Metro has reimbursed half of the payments, but it didn't include a payment for interest on this, from the date of each payment made, to the date of settlement, this being 23 August 2024. So, it should do this.

Finally, I looked into whether Metro did all it could to recover the funds once it was notified that a scam had taken place. Mr M didn't make the payments to the scammer, instead he made them initially, to a legitimate cryptocurrency exchange. So Metro was only able to make recovery, or chargeback claims against the cryptocurrency exchange, which wouldn't have in any likelihood succeeded given, as it had provided its services as described. So, there isn't anything further to consider in this regard.

I'm sorry Mr K was scammed and lost about half of his money, but in conclusion I can't fairly tell Metro to reimburse him for the rest, for the reasons I have given. The scammers were ultimately responsible for Mr K's financial loss, and I think on this occasion, Metro and Mr K taking an equal responsibility for allowing this to happen, is a fair and reasonable outcome.

All that is left for Metro to do is to pay Mr K an interest payment, and so for this reason I partially uphold Mr K's complaint and require Metro to now go ahead and do this, to put things right.

My final decision

My final decision is that I partially uphold Mr K's complaint about Metro Bank Plc.

Metro Bank Plc should pay 8%* interest on the amount it has already compensated Mr K for. It should take each payment on the date it was made and pay interest on half of each amount paid up to the date of settlement, being 23 August 2024.

*If Metro Bank Plc considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr K how much it's taken off. It should also give Mr K a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 13 August 2025.

Mark Richardson
Ombudsman