

The complaint

Mr O complains that Metro Bank PLC ('Metro') won't refund the money he says was lost as the result of a scam.

What happened

Mr O says he was subletting a property through an individual I'll refer to as S.

Mr O made rent payments in August 2024 for £712.08 and September 2024 for £1,350 to a company I'll refer to as U. As well as a payment in October 2024 for £1,000 to a company I'll refer to as F. Mr O says he was told that the bank details had changed, which is why he paid a different account in October 2024. S is the director of both U and F.

Mr O says S failed to pass on his rent to the landlord for these three payments and the landlord is now threatening to evict him.

Mr O contacted Metro in October 2024 saying he was the victim of a scam and asking that they refund him. Metro declined to refund Mr O saying he has a civil dispute with S.

Mr O wasn't happy with Metro's response, so he brought a complaint to our service.

An investigator looked into his complaint but wasn't satisfied that he was entitled to a refund. Under the Contingent Reimbursement Model Code (CRM Code), the investigator wasn't satisfied that Mr O's payments meet the definition of an APP scam or that Metro are liable for his loss.

Mr O asked for an ombudsman to review his case.

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'm really sorry to hear of Mr O's financial difficulties and I realise that not asking Metro to refund him, may mean Mr O is evicted. Unfortunately, based on the evidence, I've reached the same answer as the investigator. I'll explain why.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

Is Mr O entitled to a refund under the CRM Code?

The CRM Code requires firms to reimburse customers who have been the victims of Authorised Push Payment (APP) scams, in all but a limited number of circumstances.

But the CRM Code defines what is considered an APP scam as, *“where the customer transferred funds to another person for what they believed were legitimate purposes, but which were in fact fraudulent”*.

In order to decide whether the circumstances under which Mr O made his payments meets the definition of an APP scam, I need to consider:

- The purpose of the payments and whether Mr O thought this purpose was legitimate.
- The purpose the recipient (S) had in mind at the time of the payments and whether this was broadly in line with what Mr O understood the purpose to be.
- And, if I decide there was a significant difference in these purposes, whether I’m satisfied that was as a result of dishonest deception.

Mr O was making payments to S to sublet a property. I haven’t seen anything that suggests Mr O didn’t think this was a legitimate purpose.

So, I’ve gone on to consider what purpose S had in mind and whether it was in line with what Mr O thought.

In reaching an answer on what purpose S had in mind, the key information is:

- U and F are both UK incorporated companies, which are involved in real estate activity. U was set up in 2019 and F was set up in 2024. S is a director of both companies. Mr O had been paying rent to S since January 2024, when he started his rental contract, and I can’t see that any of the payments made prior to August 2024 weren’t forwarded to the landlord. This suggests that it’s more likely than not S, U and F were operating legitimately at the time Mr O made his payments.
- We’ve received third party information from the beneficiary bank, which I can’t share due to data protection legislation. However, this evidence doesn’t support that Mr O’s funds were obtained for a different purpose by S.
- We don’t have any evidence from a third-party organisation (for example, the police or Trading Standards) which shows that S obtained Mr O’s funds with a different purpose in mind or through dishonest deception.

We have very limited information and I understand it is difficult for Mr O to provide evidence that shows S took his funds with a different purpose in mind. However, without that evidence, I can’t fairly say that S took his funds with an intention to scam him.

It’s highly likely that S, or her companies, may have encountered financial difficulties. But, that wouldn’t mean that Mr O was the victim of a scam or that his payments are covered by the CRM Code.

Based on the evidence, I’m not satisfied that the circumstances under which Mr O made his payments meets the definition of an APP scam. So, his payments aren’t covered by the CRM Code, and I can’t fairly ask Metro to refund him.

Is there any other reason I could ask Metro to refund Mr O?

There is an expectation for Metro to be on the lookout for, and to protect its customers from, potentially falling victim to fraud or scams. This includes monitoring accounts and identifying suspicious activity that appears out of character. Where potential fraud is identified, I would expect Metro to intervene and attempt to prevent losses for the customer.

However, I'm not satisfied that Metro should've intervened when Mr O made his payments. I say this because the August and September payments were made to an existing payee who Mr O had been paying for a number of months. I realise that the October payment was made to a new payee, but the value of the payment was in line with the regular activity on Mr O's account. So, I wouldn't have expected Metro to have identified a potential risk of financial harm from fraud or have expected them to intervene when the payments were made. That means I can't fairly say Metro could've prevented Mr O's loss.

I'm really sorry to disappoint Mr O, but I'm not satisfied that I can fairly hold Metro liable for his loss or ask them to refund him.

My final decision

My final decision is that I don't uphold this complaint against Metro Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 21 October 2025.

Lisa Lowe
Ombudsman