

The complaint

S, a limited company, complains that Metro Bank Plc didn't do enough to prevent their losses from what they believe was a scam, when they sent money to a customer's account.

S have appointed professional representatives for this complaint, but for ease of reading I'll only refer to S and Mr W, who is a director.

What happened

In 2022 Mr W was looking for investment opportunities to grow S' finance. He met an individual, and was persuaded to invest in two companies. One of these held an account with Metro. S made several authorised push payments (APPs) to the Metro account, as detailed below.

Date	Amount
22 December 2022	£10,000
30 December 2022	£12,000
6 January 2023	£30,000
17 January 2023	£3,000

The company sent two payments to S, £25,500 on 17 February 2023 and £26,250 on 21 February 2023. However, Mr W later came to believe that these companies were fraudulent, and that there was never any genuine intent to deal with his investment. He contacted S' bank to raise a fraud claim, who in turn contacted Metro.

Metro however declined to reimburse S, deeming the dispute a civil matter between the parties. When Mr W complained, they responded to say that they had carried out a comprehensive investigation but had not found any errors. Metro said that had acted correctly and in line with their regulatory requirements.

Later, Mr W wrote to Metro again to say they hadn't met their obligations to monitor accounts for signs of money laundering and referred to media information about the director. But Metro didn't change their minds.

Dissatisfied with this Mr W referred S' complaint to our service. One of our investigator's looked into what happened, but he didn't think Metro needed to do anything further. He said there wasn't likely to have been any concerns about the account opening, or the activity on the account. And even if Metro had questioned S' transactions, the Metro customer would have been able to provide paperwork to show the payments from S were expected and agreed to. He didn't think Metro could reasonably have prevented any losses to S.

Mr W disagreed, saying that Metro should not have opened the account. He also said that they had now closed the account. But this didn't change the investigator's mind.

As no agreement could be reached the complaint has been passed to me to decide. After review I requested some further information from both parties, which has now been received.

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'm not persuaded that Metro should refund S. I appreciate this will be disappointing to Mr W, but I'll explain why.

Here S doesn't have a direct relationship with Metro, beyond sending funds to an account held with them, that they now allege was part of an APP scam. This means that while our service can investigate this complaint, and provide S with an outcome, Metro don't owe them any specific duty of care. And as the complaint relates to a third-party account, I'm limited in how much information I can share with S in this decision.

There is a question about whether this genuinely was a scam from the outset – the banks involved have reached the conclusion that this is a civil dispute between the parties. But whether S has been defrauded isn't the only determining factor in whether Metro should be responsible for reimbursing them. I would need to consider whether there was something more Metro reasonably should have done, which likely would have prevented any losses.

I see that the company S paid is active on Companies House, albeit in voluntary liquidation. And S received back the majority of what they paid to this account, which certainly isn't typical in a scam. The account with Metro had been open and used for almost a year before S paid any funds in. And Metro have confirmed that there were no other reports of fraud during this time.

I've considered Mr W's point that there is publicly available information that one of the directors has prior convictions for financial crime. But there is no specific legal or regulatory requirement for Metro to decline accounts on that basis – it's largely down to their own risk appetite. Just as it would be information for S to consider when deciding to invest. Likewise, I've not seen anything to suggest that the subsequent closure of the account was down to any concerns about receiving fraudulent funds, either raised by S or other parties.

That said, I can't completely dismiss the possibility that something untoward has happened here and S is at a loss. I'm mindful that Metro's customer said there was a High Court case about these funds – although Mr W has denied there was, and Metro have no further information.

I have considered whether Metro should have asked their customer information about the purpose of payment when S' transactions were received. But looking at the history of this account, the payments do not necessarily stand out in value or type. Considering the payments sent from S were done over the course of several weeks, this isn't necessarily indicative of fraud, which often involves the rapid receipt and disbursement of funds.

Given that there were no other concerns about these payments, I don't see that Metro reasonably should have questioned their customer further. And in any event, had they done so their customer would have been able to supply the paperwork where S agrees to make the payment. I'm satisfied this would have been sufficient.

By the time S came to believe they'd fallen for a scam, the funds they sent had been used up – the balance remaining is made up of other funds paid into the account. I'm not persuaded here that Metro's decision to decline to reimburse S was unreasonable. While I know Mr W feels very strongly that he's been defrauded, I do not see that Metro needs 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 S to accept or reject my decision before 8 January 2026.

Thom Bennett
Ombudsman