

## The complaint

A limited company I'll refer to as N complains that Metro Bank Plc have declined to refund them for losses they incurred through an investment scam. They'd like the funds returned to them.

N has appointed professional representatives to manage this complaint, but for ease of reading I'll mostly refer to N, and Mr H who is a director of the company.

## What happened

The facts of this case are well known to both parties, and largely not in dispute. So, I will cover them off only briefly here.

In 2021 Mr H was contacted by someone offering him investment opportunities. After taking time to consider this, Mr H agreed and was given a broker, and access to a trading account. An account was set up with a cryptocurrency exchange in N's name.

Mr H then made a series of transactions in 2021 and 2022 from N's account with metro, to the cryptocurrency exchange. The transactions identified were:

Transaction	Date	Amount
1	13 August 2021	£50,000
2	6 September 2021	£50,000
3	22 December 2021	£20,000
4	23 December 2021	£10,000
5	7 February 2021	£100,000
6	10 March 2022	£35,000
7	9 May 2022	£50,000
8	9 May 2022	£30,000
9	10 May 2022	£20,000
10	16 May 2022	£100,000
11	7 June 2022	£50,000
12	7 June 2022	£15,000
13	21 June 2022	£105,000
14	22 June 2022	£200,000
15	30 July 2022	£50,000
16	24 October 2022	£50,000
17	25 October 2022	£50,000
18	19 December 2022	£75,000

One transaction was reversed, and N did receive some returns in August 2021. Mr H could also access a system that show N was making a profit from their investments and remained in contact with the broker.

But in early 2023 Mr H requested to withdraw some funds, only to be told that he couldn't as there wasn't any free margin in the trade account. When the broker ceased all contact with him, Mr H realised he'd been scammed.

Mr H complained on behalf of N to Metro, asking for reimbursement of the losses. Metro declined to refund N. They said that N did not qualify for reimbursement under the Lending Standard Board's Contingent Reimbursement Model (CRM) code, as the payments had been made to an account in N's name. They said they had processed the payment instructions in line with the account mandate and taken appropriate steps to intervene for several of the larger transactions.

Dissatisfied with this Mr H referred N's complaint to our service. One of our investigators looked into what happened, but she wasn't convinced Metro should be responsible for refunding N. She agreed that N weren't covered by the CRM code. She considered the interventions by Metro and didn't think they were proportionate to the risk. But she also felt that even if they had probed more, Mr H and N were confident in their investments, so didn't see it would likely have prevented a loss.

N disagreed with this, arguing that there was an alarming lack of effective intervention. But the investigator didn't agree. As such, the complaint has now 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.

Having done so, I've reached broadly the same conclusion as the investigator. I appreciate this will be disappointing to Mr H, and the staff at N. They have been the victim of a cruel and sophisticated scam here and have lost a considerable sum of money. But I'm not persuaded that Metro failed to prevent the losses, such that they should be liable for refunding N. I'll explain why.

It's not disputed that all the payments were authorised correctly by persons who were allowed to transact on N's account. The basic position under the relevant regulations is that once a payment is correctly authorised, the bank should carry it out as quickly as possible. And if the purpose of the payment later turns out to be fraudulent, there's no expectation that the bank should reimburse the losses.

At the time of all the transactions Metro were signed up to the CRM code – which was a voluntary code where financial institutions agreed to refund losses to Authorised Push Payment (APP) fraud, subject to certain conditions. However, I'm satisfied that this code wouldn't apply to the payments from N's account. Firstly, because they went to an account with the cryptocurrency exchange in N's name – so it wouldn't meet the definition of APP fraud, as the funds remained in N's control at this point.

And secondly, the CRM code only applies to businesses that are considered "micro-enterprises" – as in they have assets or turnover less than €2million and less than 10 employees. I understand that at the time of the transactions N employed more than 10 people, so wouldn't be considered a micro-enterprise. For these reasons it's reasonable for Metro to conclude that the CRM code doesn't apply.

So, the key consideration for me here is whether Metro could have done more to prevent N's losses. Metro have broad legal and regulatory obligations to monitor accounts and payment activity for signs of financial harm and financial crime – such as money laundering, fraud and scams. Relevant here is that if a payment looks particularly out of character, high-risk, or

potentially fraudulent, then I may expect Metro to intervene and ask further questions of the payment.

Here we know that Metro did speak to N on several occasions about the payments being made – the larger value payments, such as those labelled transactions 5, 10, 13, 14, 16, 17 and 18 in the table above. So clearly these payments prompted enough concern that Metro thought it sensible to discuss the payments before releasing them.

I've considered the statements on N's accounts, and I can see that it was often used to process payments of around £50,000. And overall, none of the payments came close to exhausting the balance of N's account. They are also quite spaced apart, with sometimes several months between payments to the cryptocurrency exchange. So, I'm not persuaded that Metro ought reasonably to have spoken to N about the payments any earlier than they did.

Having reviewed the calls between N and Metro, the discussions are mostly to confirm that the payment instructions are genuine. Which I understand considering the value of the payments is a valid concern. The email correspondence is along the same lines.

However, I see that it also would have been reasonable for Metro to discuss the purpose of the payments – considering the funds were being sent to a cryptocurrency exchange, which doesn't seem in keeping with N's business activity.

I've considered what would likely have happened had Metro probed more. And I'm not persuaded that this would likely have led to N understanding this was a scam, or alternatively Metro declining to make the payments because of their own concerns.

I've no doubt Mr H and the other staff at N would have been honest about their understanding of the payments and investments. As I mentioned earlier, this was clearly a very sophisticated scam – which led Mr H to be drawn in to believing he was making legitimate investments and was seemingly making good returns on them. The fraudsters sent N a return of funds in August 2021, which would have made the whole process seem more legitimate. Mr H has said he trusted the broker and kept in regular contact. In the calls there doesn't appear to be any hesitation or concern with the payments from anybody at N at the time.

Given the level of sophistication, and the clearly very persuasive nature of the fraudsters, I don't see that had Metro warned N about investment scams at the time, in any of these discussions, that this would likely have prompted Mr H to realise the entire investment was a scam.

Had Metro asked about the purpose of payments, I don't see that the answers N would have given would have prompted significant concern or led to Mr H realising that nature of the scam. And while the funds were going to a cryptocurrency exchange, which can indicate a high-risk investment, I don't see it as unreasonable for a bank to expect a business the size of N to have conducted their own due diligence before deciding to invest. So, I don't see it reasonable to conclude that Metro would have declined the payment instructions.

I'm very sympathetic to the situation N finds themselves in, as they are undoubtedly a victim of fraud here. But I'm not persuaded here that any level of proportionate intervention by Metro would have uncovered the scam. It follows that I don't see that they need to do anything further.

**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 N to accept or reject my decision before 27 October 2025.

Thom Bennett  
**Ombudsman**