

The complaint

Mrs V and Mr V complain that Metro Bank PLC ('Metro') won't refund the money they lost after falling victim to a scam.

What happened

In 2023, Mrs V and Mr V saw an investment opportunity advertised on a social media site that was promoted by a well-known TV personality. They contacted the company and were told the investment involved cryptocurrency and stock market trading.

As part of the investment, new accounts with an EMI were opened as well as cryptocurrency accounts.

These are the payments that Mrs V and Mr V made as part of the scam from their Metro accounts. All of the payments in bold italics were refunded to Mrs V and Mr V.

Date	Pmt	Details of transaction	Amount
28.4.2023	1	Transfer to Mr V's EMI account – made in store	£30,000
10.5.2023	2	<i>Transfer to Mr V's EMI account – made in store (returned)</i>	<i>£60,000</i>
12.5.2023	3	Transfer to Mr V's EMI account	£1,000
18.5.2023	4	Transfer to Mr V's EMI account – made in store	£60,000
20.5.2023	5	Transfer to Mr V's EMI account – made in store	£4,000
23.5.2023	6	Transfer to Mr V's EMI account	£15,000
23.5.2023	7	Transfer to Mr V's EMI account	£5,500
25.5.2023	8	Transfer to Mr V's EMI account	£8,450
26.5.2015	9	Transfer to Mr V's EMI account	£10,000
30.5.2023	10	<i>Transfer to Mr V's EMI account – (returned)</i>	<i>£2,000</i>
5.6.2023	11	<i>Payment to C – a cryptocurrency exchange</i>	<i>£2,000</i>
7.6.2023	12	<i>Payment to C – a cryptocurrency exchange</i>	<i>£5,000</i>
10.6.2023	13	<i>Payment to C – a cryptocurrency exchange</i>	<i>£10,000</i>
4.7.2023	14	<i>Payment to C – a cryptocurrency exchange</i>	<i>£5,000</i>

When Mrs V and Mr V tried to withdraw their investment, they were told they had to pay commission to release the funds.

Mrs V and Mr V raised a fraud claim with Metro in July 2023. Metro declined to refund them saying the loss occurred from their EMI accounts, so the EMI is responsible. Metro did refund the payments to C (payments 11 to 14 in the table above), which they said was a goodwill gesture.

Mrs V and Mr V weren't happy with Metro's response, so they brought a complaint to our service.

An investigator looked into Mrs V and Mr V's complaint and upheld it, saying Metro should refund 50% of payments one, and three to 10. The investigator explained that payment two had been returned to Mrs V and Mr V's account, so they didn't consider it as part of their

complaint. The investigator wasn't satisfied that Metro asked sufficient questions when Mrs V and Mr V made payments one, two, four and five. If Metro had, the investigator was satisfied the scam could've been uncovered and Mrs V and Mr V's loss prevented. But the investigator felt it was fair for Mrs V and Mr V to share responsibility for their loss with Metro saying Mrs V and Mr V didn't do checks to make sure the investment was genuine.

Metro didn't agree with the investigator's opinion and asked for the case to be passed to an ombudsman. Mrs V and Mr V also disagreed with the investigator's opinion saying Metro should've protected them and should be liable for more than 50% of their loss.

Having reviewed the case, I identified that payment 10 had been returned to Mrs V and Mr V. We contacted both parties to let them know and explained the refund we were recommending was reduced by £2,000.

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.

All of the payments in bold italics in the table above have either been refunded or returned to Mrs V and Mr V's Metro accounts – in full. So, I'm not considering these payments as part of this complaint.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that Metro is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

It's not in dispute that Mrs V and Mr V authorised these payments, although they did so not realising they were the victims of a scam.

However, Metro should have been on the 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 firms are generally more familiar with than the average customer. And, in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice Metro sometimes does.

Should Metro have uncovered the scam?

Mrs V and Mr V made payments one, two, four and five in a Metro store.

For payments one, two and four, a form was completed by Metro staff. For payments one and two, Metro marked the form to say the payments were not in line with usual account activity, and they asked Mrs V and Mr V the reason for the payments. For payment one they said it was "paying family or friends" and for payment two they said it was "something else". Metro asked what that was and Mrs V and Mr V said it was for homewares.

When Mrs V and Mr V made payment four, the form was marked to say the payments were in line with usual account activity, so Metro didn't ask the reason for the payment. The staff noted that Mrs V and Mr V had previously transferred £60,000 to a personal safe account held elsewhere. No form was completed for payment five.

As Metro identified that payments one and two were unusual and out of character for the account, I would've expected them to ask Mrs V and Mr V open and probing questions about the reason for the payments. I'm not satisfied based on the evidence that Metro have provided, that they asked the sort of open questions that I would've expected.

Mrs V and Mr V told Metro that they were moving funds to another bank to spread their money. But Metro should've been aware of multi-stage scams, where consumers move money through accounts in their own name before moving the funds onto accounts controlled by scammers.

So, I would've expected Metro to ask whether the funds would be remaining in the EMI account and when they had opened that account. Also, when Mrs V and Mr V made the second payment, the payment reason of "something else" and homewares should've concerned Metro as it was a payment of £60,000. So, a fuller discussion should've been had about what they were purchasing, and why they had to transfer the funds to an EMI account and couldn't make the purchase directly from their Metro account.

If Metro had asked these questions, I think it's more likely than not Mrs V and Mr V would've said they'd recently opened the EMI accounts. In response, I would expect Metro to ask how they found the EMI and why they decided to use that EMI to open an account with. I say this as a lot of scams get customers to open new EMI accounts to facilitate the purchase of cryptocurrency, which Metro should've been aware of.

I think more open probing questioning about the reason Mrs V and Mr V were moving the money to an EMI account, would more likely than not have uncovered the scam. I can't see that Mrs V and Mr V were given a cover story, and as they were in person talking to Metro staff, the scammer couldn't coach them in how to answer Metro's questions.

Metro provided scam warnings for payments one and two, based on the payment purpose Mrs V and Mr V had provided. But these didn't relate to the circumstances under which they were making the payments, so they weren't impactful. More open questioning would more likely than not have uncovered that the funds were being moved as part of an investment, which Mrs V and Mr V had found on a social media site and was promoted by a well-known personality. All of these details are features of a cryptocurrency investment scam. And had Metro provided a scam warning aimed at cryptocurrency investment scams, I think it's more likely than not it would've resonated with Mrs V and Mr V and prevented them from making the payments.

On that basis, I'm satisfied that Metro should be held liable for payments one, and three to nine (inclusive).

But I also have to consider whether Mrs V and Mr V could've mitigated their loss.

Should Mrs V and Mr V share responsibility for their loss with Metro?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

Mrs V and Mr V say they weren't given access to an investment portal and the only confirmation they had of their investment was screen shots sent by the scammer.

Considering Mrs V and Mr V were investing a large sum of money, just in the first two payments, I would've expected them to have completed checks on the company they believed they were investing in and the person they were dealing with.

Especially as they weren't given any paperwork, contract, or details of the investment – which would be usual for a genuine company. They also didn't receive any marketing material or other information setting out the terms and conditions of the investment - which should've concerned Mrs V and Mr V.

Overall, I think a reasonable person would've had concerns over what they were told and the lack of paperwork or information about the investment or the company they were investing in. On that basis, I'm satisfied that it's fair for Mrs V and Mr V to share responsibility for their loss with Metro and reduce the refund by 50%.

Putting things right

To put things right I require Metro Bank PLC to:

- Refund 50% of payments 1, and 3 to 9 (inclusive), which means a refund of £66,975.
- Pay simple interest of 8% per year on the refund, calculated from the date of the payments until the date of settlement.*

*If Metro considers that they're required by HM Revenue & Customs to deduct income tax from that interest, they should tell Mrs V and Mr V how much they've taken off. They should also give Mrs V and Mr V a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is that I uphold this complaint against Metro Bank PLC and require them to compensate Mrs V and Mr V as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V and Mr V to accept or reject my decision before 5 November 2025.

Lisa Lowe
Ombudsman