

## **The complaint**

F, a company, complains that Metro Bank Plc have declined to reimburse them for funds that they have lost to a scam. They would like the funds returned to them.

F is represented by their director, Mr C.

## **What happened**

Mr C was looking for help with some specialist services for F, when he was recommended an individual I'll refer to as B. B seemed to have a history of providing the services Mr C was looking for. B in turn introduced Mr C and others at F to other individuals who would be working with them.

Between June 2023 and January 2024 F were invoiced for the services provided by or introduced by B. In total F made 72 payments, for £495,512.50 from their Metro Bank account.

In 2024 F were contacted by individuals claiming to have invested in the company, via B or their associates. But F had not received their investment or issued them shares. Mr C believed that he had been caught up in a scam by B and contacted the police. Around this time Metro took the decision to close F's account.

Mr C was told by the police that there was an ongoing investigation into B, involving many victims with similar stories to F. Mr C reported the scam to Metro, asking for reimbursement of the losses.

Metro contacted the receiving banks, but found that no funds remained to return to F. They considered F's claim under the Lending Standard Board's Contingent Reimbursement Model (CRM) code. But they said that as there was an ongoing police investigation, they couldn't fully assess F's claim. They declined to offer any reimbursement.

Dissatisfied with this Mr C referred F's claim to our service. He showed evidence from the police that the investigation was focused on only a limited number of companies, none of whom F had sent money to.

Our investigator looked into what had happened, but she thought Metro's position was reasonable. She acknowledged that the companies F had made payment to weren't on the list of companies the police was looking at. But Mr C's testimony had made it clear that B was involved in their payments. On that basis she thought Metro were reasonable to rely on the provisions in the CRM code to wait for the police investigation to conclude before making a decision on reimbursement.

Mr C disagreed, saying Metro had failed in their due diligence and regulatory obligations by not blocking the transactions out of F's account. He provided information on other complaints dealt with by our service where we had upheld claims under the CRM code. But this didn't change the investigator's mind.

As no agreement could be reached, the complaint has 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 C, as I've read how much this has affected him. But having reviewed the evidence available, I don't see that Metro's position is unreasonable.

I note Mr C has raised a number of points for me to consider and referred to the various Financial Conduct Authority Principles he believes apply here. I don't intend to answer them all individually. Instead, I'll concentrate on what I consider to be the key considerations of this complaint, which is in line with our service's remit as an informal alternative to the court system.

I've also noted his comments about other decisions our service has made. But each case is ultimately assessed on its own merits. And while two complaints may seem similar, it's likely that they will have different material facts.

Here, there doesn't seem to be any dispute that the payments from F's Metro account were carried out by individuals with the authority to transact on the account. Under the relevant regulations relating to payments – the Payment Services Regulations 2017 (PSRs) – the bank had no obligation to carry out due diligence on the payee before making the payment. There was no regulatory obligation on the bank to refund payments if the purpose later turns out to be fraudulent at the time. And considering the account history and general usage, I'm not persuaded that Metro ought reasonably to have intervened and asked further questions to determine the nature of the payments. The payments don't seem out of character.

However, at the time F was making payments Metro were signed up to the CRM code, where they had voluntarily agreed to refund victims of authorised push payment fraud, subject to certain exceptions and provisions. The key provision that Metro have relied upon here is R3(1)(c).

*"If a case is subject to investigation by a statutory body and the outcome might reasonably inform the Firm's decision, the Firm may wait for the outcome of the investigation before making a decision".*

Here, we know that there is an ongoing police investigation. The letter from the police says theirs is a complex investigation, and they have set parameters so they can reach a conclusion. From what the police have told Mr C this is focused on a limited number of companies. And I've seen nothing in any of the documentation provided by Mr C, or payments made by F, that there were any dealings with these specific companies.

But I also note that B is listed as a director and owner of one of the companies under investigation. And Mr C has been clear that he was directly involved with B. And he's been told that the techniques used on F were similar to other victims. So, I think it's reasonable to conclude that there is potentially a link between the ongoing investigation, and the scam Mr C says F was a victim of. There are far more than just tangential or fanciful connections.

I've considered the evidence Mr C has submitted in relation to the payments, and considered how Metro would have assessed. The available evidence is quite light on detail, consisting of mostly invoices from B and related companies. He has said most contact was over the phone and never had access to the platform he was supposed to. So, even though we've

taken Mr C at his word, I'm not persuaded that there is enough evidence of a scam that Metro are unreasonable in waiting for the police investigation to finish.

Ultimately given the information available to them Metro have to decide from three options: whether to accept that F has fallen victim to a scam and reimburse under the CRM code; decide that no scam has occurred and decline the claim; or wait for the outcome of the police investigation. In the circumstances I don't see that their decision to wait for the outcome of the police investigation is unreasonable – the outcome of any investigation is likely to affect the conclusion Metro reach in the outcome of the CRM claim.

I appreciate this puts F and Mr C in a difficult position. But I don't see that Metro need to do anything further at this time. If in future if new material evidence becomes available, or if the police investigation reaches its conclusion, then Mr C can ask Metro to consider F's claim again.

### **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 F to accept or reject my decision before 28 October 2025.

Thom Bennett  
**Ombudsman**