

## The complaint

Mr I is unhappy Metro Bank PLC won't reimburse him the money he sent to a third-party for building works.

## What happened

The background to this complaint is well-known and is set out within the investigator's findings which was sent to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows. In May 2025, Mr I made contact with a tradesman – whom I'll refer to as M, to quote for some property works, in particular an external office structure. A verbal price was agreed of £18,000 with two faster payments of £5,000 and £1,000 made in May 2025 which are at the centre of Mr I's complaint.

M began some works at Mr I's property. It was then advised additional building materials and purchases were needed before any more works could be carried out. Mr I says that alongside the two faster payments he made, he was also coerced by M into handing over his credit card to allow for these purchases as he was unable to make any more bank transfers. Disputed transactions made on Mr I's credit card are the subject of a separate complaint at this service. Before long however and after numerous excuses about returning to complete the job, Mr I lost all contact with M.

A claim was raised with Metro on the grounds that Mr I had fallen victim to a scam. Metro rejected the claim and subsequent complaint on the basis that the circumstances did not fit the parameters of a scam but rather amounted to a civil dispute between Mr I and M.

Mr I then brought a complaint to this service. He said that he firmly believed his claim was a case of deliberate fraud carried out by an individual who has deceived him. Our investigator didn't uphold Mr I's complaint. He said he didn't think it was unfair for Metro to reject his claim. Nor did he think there was any other reason why it should have assisted him in recovering or refunding the money lost.

Mr I didn't agree, in summary he believed the investigator had mischaracterised his interactions with M and that just because there was a lack of evidence from his side – namely written contracts, invoices or email chains that his case is weakened. He said the fraud itself was constructed around oral assurances and face to face pressure from M. He believes M deliberately avoided written records as part of his deception. He says the absence of this documentation is not a weakness but rather evidence of the method of fraud employed by M. He maintains the two disputed payments were made under deception and that he was misled about the purpose of the transfers and that he had been the subject of an authorised push payment (APP) fraud.

As an informal agreement couldn't be reached, the case has since 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 come to the same outcome as the investigator for broadly the same reasons.

I'm mindful that Mr I has made details submissions in response to our investigator's findings. I'd like to reassure him that I've considered everything he has submitted carefully. But if I don't mention a particular point or piece of evidence, that's not because I haven't taken it into account. My findings focus on what I consider to be the central issues, and my role is to reach what I think is a fair and reasonable decision based on the available facts of the case.

Where I can't know for certain what has or would have happened, I need to weigh up the evidence available and make my decision on the balance of probabilities – in other words what I think is more likely than not to have happened in the circumstances.

It's firstly important to explain that I don't have the power to decide any dispute between Mr I and M, or to interrogate the parties or consider their actions. I understand Mr I feels strongly that M induced him to make payments under false pretences. But I can't hold Metro responsible for any breach of contract or other failings on M's part.

In broad terms, the starting position in law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. There is no dispute that Mr I authorised the two payments. However, where the customer made the payment as a consequence of the actions of a fraudster, it may sometimes be fair and reasonable for the bank to reimburse the customer even though they authorised the payment.

In 2024, the Payment Systems Regulator required the Faster Payments scheme operator (PayUK) to change the Faster Payment Rules to require the firms that operate over Faster Payments to reimburse their customers sums paid as a result of APP scams (herein after referred to as the Reimbursement Rules) in certain circumstances. These Rules came into force on 7 October 2024.

In this case, I've first considered whether the Reimbursement Rules and associated guidance issued by the PSR are relevant to the payments in dispute. Where they are relevant, I must have regard to the rules and guidance, as well as considering what is fair and reasonable in all the circumstances of the complaint.

Under the Reimbursement Rules, most victims of APP scams should be reimbursed – but "private civil disputes" are not covered.

I've therefore considered whether what has happened between Mr I and M, meet the reimbursement rules' definition of an APP scam or could more reasonably be classed as a civil dispute. The rules define an APP Scam as:

*"Where a person uses a fraudulent or dishonest act or course of conduct to manipulate, deceive or persuade a consumer into transferring funds from the consumer's relevant account to a relevant account not controlled by the consumer, where:*

- *The recipient is not who the consumer intended to pay, or*
- *The payment is not for the purpose the consumer intended"*

And the Rules specifically outline that private civil disputes are not covered. The term private civil dispute is defined in the Rules as:

*“A dispute between a Consumer and payee which is a private matter between them for resolution in the civil courts, rather than involving criminal fraud or dishonesty.”*

In its published policy statement PS23/3, the Payment Systems Regulator gave further guidance:

*“2.6 Civil disputes do not meet our definition of an APP fraud as the customer has not been deceived [...] The law protects consumer rights when purchasing goods and services, including through the Consumer Rights Act.”*

2.5 provides an example of when this might apply:

*“...such as where a customer has paid a legitimate supplier for goods or services but has not received them, they are defective in some way, or the customer is otherwise dissatisfied with the supplier.”*

The Reimbursement Rules are not a general protection for consumers. Instead, they only apply in very specific circumstances – where the customer has been the victim of an APP scam. And there are a number of potential reasons (other than a scam) for a dispute to exist. Such as the breakdown in a relationship between two parties, or where the quality of works might not have been completed to a certain standard, or works incomplete, that doesn't necessarily amount to evidence of an intent to commit an APP scam.

So, in order to consider what has happened here as an APP scam, I would need to be satisfied that it involves criminal deception. The evidence for this would therefore need to be convincing. I'd have to be satisfied that M deliberately tricked Mr I into making the payments for services it had no intention of providing at the time he made them.

Mr I paid an account, the details for which were provided to him by M. Whilst I understand there are questions around the name to this particular account, the evidence provided shows this was the account Mr I was directed to pay by M. So, Mr I cannot be said to have paid a recipient he did not intend to pay, as per the definition above.

A verbal agreement had been reached for M to carry out works at Mr I's property at a total cost of £18,000. Ultimately, Mr I's purpose was to have the agreed works carried out and M's purpose was to provide that service – so these do match. Mr I has been unable to provide any written correspondence relating to the actual purpose of each individual payment nor any form of schedule of works setting out exactly what was agreed for the total of £18,000. Mr I has made reference to an initial payment being made and the £5,000 payment and the £1,000 payment being 'subsequent' payments and that they were for the purchase of materials. However, I can't see any 'initial' payment made or reference to one in the messages provided by Mr I. Furthermore, I can see that the payment of £5,000 was made very shortly after the account details were provided by M. And from the testimony provided by Mr I to Metro, these payment details were provided a couple of days after the verbal agreement was entered into with M. I think it's most likely the initial payment of £5,000 amounted to a deposit in order to secure M's services. And looking at the photographic evidence, works then did begin at Mr I's property.

I appreciate that Mr I states that the works carried out were 'effectively none', however the photos he's provided don't just appear to show a timber skeletal structure had been built. They do also show ground works done for which the structure is built a top of.

It's unclear exactly what the £1,000 payment was for, but from what is available in the messages this would appear to be in relation to the purchase of building materials. But I'm not satisfied the evidence shows M deliberately tricked Mr I into making the payment for services M had no intention of providing. Rather what the interactions show is that there were disagreements about how Mr I would be making payments to M and that he was unable to transfer more money than he had so far as he advised M that most of his money was on credit cards. Mr I has a dispute regarding payments made from his credit card by M. As I've set out above, this is the subject of a separate complaint at this service. But I would point out that some of these payments on his credit card do show them being made at various builders related merchants. And so, I'm satisfied that the faster payments at the centre of this dispute brought against Metro, were for the purposes both parties had intended.

Whilst Mr I has provided his messages with M, it's evident that interactions have taken place verbally by telephone and face to face. I've carefully reviewed the evidence and I think its most likely there was a breakdown in relationship between the parties with not only the payment methods, but with the length of time the job was taking and that Mr I had not been happy with the quality of the works carried out which supports this is more likely a private civil dispute. I would also add that Mr I has made reference to referring M to the police who also informed him they also considered this a civil matter. Whilst I've considered that M has not returned Mr I's calls and that M has not completed the agreed works, these are issues clearly stated as not being catered for within the Reimbursement Rules. In other words, the fact that the building works might not have been completed and might not have been completed to a satisfactory standard, doesn't make this an APP scam. And in light of what I've set out above, like our investigator I'm not persuaded Mr I has been the victim of an APP scam.

To be clear, its evident Mr I has a dispute with M. I'm not saying he doesn't have a legitimate grievance against M. But I can only look at Metro's responsibilities here. This type of dispute isn't something that the Reimbursement Rules cover or that Metro can be held responsible for.

Overall, I don't think Metro has treated Mr I unfairly when it made the decision not to reimburse him. I can't see any fair or reasonable grounds on which I could say that Metro should bear the responsibility of Mr I's loss, and I don't think it ought to have done more to assist Mr I in the circumstances – by intervening to prevent the payments or attempting to retrieve the payments from the beneficiary account.

### **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 Mr I to accept or reject my decision before 6 May 2026.

Mark O'Connor  
**Ombudsman**