

The complaint

Mr M complains that Metro Bank PLC won't reimburse him after he sent funds to a business that he now believes to have been an investment scam.

Mr M is professionally represented in bringing his complaint, but for ease of reading I'll refer to all submissions as being made by Mr M directly.

What happened

On 15 September 2025, I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any more evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

Mr M has explained that an acquaintance of his, who provided introductions to investment providers, introduced him to an advisor, and that this advisor introduced Mr M to an investment opportunity with a firm I'll refer to as 'P' – a used car dealership.

Mr M was told that if he loaned £20,000 to P, he would receive returns across the year, followed by the return of the loan payment after this period. Mr M made a payment of £20,000 in June 2019, but states he never received returns. A second agreement was entered into in November 2020 between Mr M, P and another firm, who agreed to facilitate the repayment of the loan and to be the responsible firm, should payments default. However Mr M states he still hasn't received his loan back. P has since gone into liquidation and the facilitating firm has also dissolved.

Believing he'd fallen victim to a scam, Mr M made a claim to his bank, Metro. Metro considered its liability to refund him. Metro is a signatory of the Lending Standards Board Contingent Reimbursement Model (CRM) Code, which requires firms to reimburse customers who have been the victims of APP scams like this in all but a limited number of circumstances.

Metro considered that it hadn't met its obligations under the Code to detect out of character payments on Mr M's account and provide him with an effective warning. It therefore accepted partial liability for Mr M's losses.

However Metro also said Mr M didn't have a reasonable basis for believing he was making a legitimate payment. Metro therefore considered Mr M should also be held liable under the CRM Code for his losses, and reimbursed 50% of the payment made towards the scam.

Mr M remained unhappy and referred his complaint to our service. An investigator considered the complaint but didn't uphold it. He also didn't think Mr M had demonstrated he had a reasonable basis for belief prior to making the payments. Mr M disagreed with the investigator's view, so the complaint has been referred to me for a final decision.

What I've provisionally 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.

Based on everything I've seen, while I'm sorry to disappoint Mr M, I don't think the evidence available supports his complaint that this was in fact a scam, rather than a private civil dispute between himself, P and/or the facilitating firm. It therefore follows that I don't think Metro is liable to reimburse him his losses. I'll explain why.

As a starting point in law, Mr M is responsible for payments he's instructed Metro to make. Unfortunately, there's little protection available to him for bank transfer payments, like this was. The Lending Standards Board Contingent Reimbursement Model Code (the CRM Code) does provide some protection to victims of APP scams. But it specifically excludes private civil disputes.

I've considered the available evidence provided by Mr M, as well as my own research online about P, and I don't think there is sufficient evidence to support that P was running a scam here. The company is now in liquidation, but I can see from online reviews (albeit mixed from a satisfaction perspective) that P was in the business of buying and selling vehicles as stated, rather than a firm set up with a sole intention to deceive. I'm also not aware of any ongoing Police or Trading Standards enquiries into P's conduct.

The documentation Mr M received from P was contradictory concerning returns Mr P was expected to receive, but I think this could just as easily be explained as financial mismanagement, rather than a sign of a scam.

Additionally, when investing, there is always the risk that the investor can lose some, or all of their money. So a lack of returns, in and of itself, isn't enough to establish that someone has been the victim of an APP scam, rather than having paid towards an unsuccessful investment. I can see the liability to refund Mr M's funds was later transferred to another party and while this is an unusual setup, I don't think it necessarily supports or refutes the notion that this was a scam, particularly as this third party made no further requests to Mr M for funds that might suggest it was somehow also involved in something underhand.

P became authorised by the Financial Conduct Authority later in 2019 to perform some credit-related activities. As Mr M was introduced to P by another advisor, I don't think there was any requirement for P to be regulated when it received funds from Mr M, but I do think it would be unusual for a scam firm to go through the process of becoming FCA registered.

Simply put, in order to find Metro was somehow liable to Mr M under the CRM Code, I'd need to find that the evidence was strong enough to show this had been a deliberate criminal scam from the outset rather than it being a private civil dispute between Mr M and P. That also means being able to exclude on the balance of probabilities the alternative possibility that this is simply a matter of P breaching, or being otherwise unable to fulfil, it's agreement with Mr M.

Or to put this another way, that means deciding whether the available evidence shows it is most likely that P set out to defraud Mr M with criminal intent. That is a high bar to meet.

As part of my investigations into P, I've reviewed evidence from the firm holding the account that received Mr M's payment. While I cannot detail the information that the recipient firm has provided, I don't consider there is anything about how the account was managed that points towards this being a scam. While some other scam claims have since been made, I don't think the volume is sufficient to demonstrate that this was a deliberate scam to defraud these individuals, rather than others in a similar position to that of Mr M.

All things considered, I simply can't safely conclude that P took Mr M's money without ever having any intention of fulfilling the agreement it had with him. While I'm not disputing that this isn't a possibility, the evidence available to me simply isn't enough to support such a finding.

I appreciate how frustrating and disappointing this answer will be. But I can't exclude the possibility that P entered the agreement in good faith, intending to provide the investment it offered, and then was unable or unwilling to fulfil the agreement for some reason. The evidence doesn't allow me to conclude it's more likely than these alternative possibilities that P intended to steal Mr M's money from the outset and never had any intent of fulfilling the arrangement in full.

That means that I can't fairly hold Metro responsible for the loss suffered here by Mr M. It also means I find the bank had no ability or obligation to try and recover his money.

My provisional decision

My provisional decision is that I don't uphold Mr M's complaint.

Metro confirmed it had nothing further to add to my decision but Mr M disagreed with it. He said the evidence more strongly supports a finding that he was misled into making a payment under false pretences, and therefore an APP scam. This was based on Mr M being introduced to P through an intermediary, being promised fixed returns and receiving nothing back. Mr M also said the subsequent involvement of a second firm to assume repayment obligations is highly unusual and both firms have since dissolved, suggesting this was set up to provide an illusion of legitimacy.

Mr M also thought too much weight had been placed on whether there was criminal intent, rather than, under the CRM Code, Mr M had a reasonable basis for belief. Mr M considered that where there is an element of doubt regarding intent, the customer should be given the benefit of that doubt.

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 thought about Mr M's additional points in response to my provisional decision, while I'm sorry to disappoint him, they don't change the outcome I reached previously. I'll explain why.

The points Mr M has made regarding the introduction and set up of the investment itself were all points I'd considered as part of my provisional decision. While Mr M has reiterated that this is an unusual set up, which I referenced in my decision, that setup doesn't lead me to conclude that this was a scam. As referenced before, while another firm's involvement was unusual, that firm didn't ask Mr M for any further funds, so it's questionable what benefit a firm would have in being involved in something fraudulent without any financial gain. While I accept Mr M received nothing back from his investment, that can also be the case in genuine investments that fail - and isn't evidence alone for intent to defraud.

Mr M considers my provisional decision focused too heavily on whether there was criminal intent, rather than whether he had a reasonable basis for believing the payment he made was legitimate under the CRM Code. However, the CRM Code does not cover civil disputes – so the question of whether Mr M acted reasonably does not become relevant until it can be determined that he fell for an APP scam – which is why my decision focused on the intent of P, as that is the key question here.

While I understand Mr M thinks customers should be given the benefit of the doubt where there is a lack of clarity on whether a scam took place, that is not the role of our service. We are an impartial, evidence led service that looks at the information provided by both consumers and businesses to determine what is a fair outcome to a complaint. I don't consider it would be fair to hold Metro liable for Mr M's losses without first deciding it's more likely than not that Mr M was the victim of a scam – and in this case I don't think the evidence supports that finding.

For these reasons, while I'm sorry to disappoint Mr M, my outcome remains the same and I'm not directing Metro to provide any further reimbursement to him.

My final decision

My final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 October 2025.

Kirsty Upton
Ombudsman