

The complaint

X complains that Metro Bank PLC have declined to refund them for funds they believe were lost to a scam. They'd like the funds returned to them.

X has appointed representatives for this complaint, but for ease of reading I'll only refer to X and Miss L, a director.

What happened

In 2018 Miss L met an individual I'll refer to as G. She says they discussed investment opportunities, where Miss L would invest in property developments. Miss L says she agreed to pay G for several deals, and says she was told G would then forward the funds to others involved in the development.

Miss L made twelve payments from X's accounts totalling £43,250. The payments went either directly to G, or companies associated with G.

Date	Amount
25 June 2020	£2,500
25 June 2020	£1,250
30 July 2020	£6,000
17 September 2020	£4,000
10 May 2021	£2,000
10 May 2021	£2,000
11 May 2021	£10,000
13 May 2021	£6,000
13 May 2021	£4,000
14 May 2021	£1,000
8 June 2021	£3,500
18 June 2021	£1,000

Miss L says she received updates on the development, until it completed in January 2022. But after this G cut all contact with her. She found that G had not forwarded funds to the people she believed they would. She then contacted Metro to say she thought she'd been the victim of a scam, and asked for reimbursement under the Lending Standard Board's Contingent Reimbursement Model (CRM) code.

Metro looked into what happened, but didn't offer to reimburse her. They deemed the matter a civil dispute between X and G, and didn't see this was covered by the CRM code.

Dissatisfied this Miss L referred X's complaint to our service. One of our investigators looked into what happened, but she wasn't persuaded that Metro have been unreasonable in deciding it was likely a civil dispute. She felt there wasn't enough evidence to show that G had intended to defraud X.

Miss L disagreed on behalf of X, and as such 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

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

Metro are a signatory of the CRM Code which requires firms to reimburse customers who have been the victims of APP scams in all but a limited number of circumstances.

The relevant part of the CRM Code definition of an APP scam requires that the payment was made to: *"another person for what they believed were legitimate purposes but which were in fact fraudulent."*

The Code also explains that it does not apply to *'private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier'*.

Here Metro have reached the conclusion that this is rather a private civil dispute between X and G.

The information about what was originally agreed between X and is very limited. Miss L hasn't been able to provide any documentation or agreements as to the purpose of the payments from the time they were made. Miss L has said that the agreements were verbal, but I would normally expect a limited company such as X to have some kind of documentation in relation to investments. It makes it very difficult for me to conclude that G was always intending on defrauding X.

I have considered the messages Miss L has provided that show that individuals she says she expected to receive funds from G hadn't received them. But these messages are from some time after the original payments. I've seen nothing to show that this was the agreement between X and G at the time she made the payments.

Considering the wider circumstances, Miss L has said she received updates on the development, and it was only later that G broke off contact. I would see it as unusual for a fraudster to continue a relationship well after they had received funds.

I don't find there to be persuasive evidence that G set out with the intention of defrauding X. And overall, I don't see that it's unreasonable for Metro to have concluded that this is a civil dispute between the parties, and to decline to refund under the CRM code.

Should any new material evidence come to light at a later date then Miss L may be able to ask Metro to reconsider X's claim. But based on the evidence available, 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 X to accept or reject my decision before 26 November 2025.

Thom Bennett
Ombudsman