

The complaint

Mrs T is unhappy that Metro Bank Plc has declined to reimburse losses she incurred after making payments to a scam.

What happened

The background to this complaint is well known to both parties, so I will only provide a brief summary of the key details.

In February 2025, Mrs T responded to an online investment advert that appeared to have been endorsed by a celebrity. Soon after, she was contacted by an individual claiming to be a fund manager working for an investment firm.

Mrs T was instructed to open an account with Metro to make transactions which she believed were being directed into investments she could view on a trading platform. In short, this was entirely illegitimate, and no genuine investments were being made.

Mrs T made eight Single European Payment Area (SEPA) payments from her Metro account:

Payment	Date	Payee	Amount*
1	10 March 2025	Payee 1	£1,900
2	14 March 2025	Payee 1	£10,000
3	18 March 2025	Payee 1	£10,000
4	18 March 2025	Payee 1	£5,000
5	19 March 2025	Payee 1	£20,000
6	20 March 2025	Payee 1	£5,000
7	27 March 2025	Payee 2	£12,938.84
8	28 March 2025	Payee 2	£10,297.78

*: each payment also incurred a 0.20p fee

Mrs T reported the scam to Metro in May 2025 but it was unable to recover any funds. After it declined to reimburse the losses, Mrs T brought a complaint to our service.

One of our investigators reviewed the complaint and recommended that it be partially upheld. He found that Metro missed opportunities to prevent the losses from the second payment onwards. He also concluded that Mrs T missed opportunities to identify the scam herself. In light of this, he recommended that Metro reimburse 50% of the losses from the second payment onwards, together with 8% simple interest on that amount.

Mrs T accepted this outcome but Metro didn't and asked for a final decision from an ombudsman.

As Metro didn't provide any reasons for disagreeing with the investigator's view, I contacted the bank informally to see whether the case could be resolved without a formal decision, as I was minded to reach a similar conclusion after reviewing the file. In response, Metro maintained its original position but added the following for my consideration:

- Mrs T had no additional support markers on her customer profile and was not considered vulnerable in relation to the scam. She also confirmed to Metro that she was in the right frame of mind when making the payments upon reporting the scam.
- There is no basis by which Metro should be considered responsible for the SEPA payments made in this claim. Such transactions are not covered by the bank's own or industry reimbursement policies, which means it is not obligated to compensate Mrs T for the loss.

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, my decision is to partially uphold the complaint on the same lines the investigator recommended and I'll explain my reasoning below.

Initial Considerations

There's no dispute that Mrs T authorised these payments. Under the Payment Services Regulations 2017 and the account's terms and conditions, Mrs T is presumed liable for the loss in such circumstances. I also accept Metro's point that SEPA payments are not covered by industry reimbursement policies. Specifically, the Payment Systems Regulator's Authorised Push Payment (APP) fraud protections apply only to Faster Payments or CHAPS transactions.

The Payment Systems Regulator reminded firms that fraud victims have a right to make complaints and refer them to the Financial Ombudsman Service. That right exists separately to the new reimbursement rights and APP scam victims will still be able to bring complaints to us where they believe that the conduct of a firm has caused their loss (in addition to any claim under the reimbursement rules)¹. So, the mandatory reimbursement scheme doesn't represent the only requirements for, or route to, a refund where losses to fraud and scams are concerned.

So, taking longstanding regulatory expectations and requirements into account, as well as what I consider to have been good industry practice at the time, I consider that by March 2025 Metro should fairly and reasonably have:

- been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- had systems in place to 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;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warning, before processing a payment;
- Have been mindful of – among other things – common scam scenarios and the different risks these can present to customers when deciding whether to intervene.

¹ The reimbursement rules and their award limit differ from the rules which govern complaints under the Financial Ombudsman Service's dispute resolution rules (DISP). PSPs should therefore inform victims of APP scams that, in addition to their right to seek reimbursement under the reimbursement rules, they have the right to bring complaints against sending and receiving PSPs if they are dissatisfied with their conduct and consider this has caused their loss. Such complaints may ultimately be referred to the Financial Ombudsman Service." PSR PS23/4 7.18

Further, regulated firms such as Metro have been required to follow what is outlined under the FCA's Consumer Duty. This states that Metro must act to deliver good outcomes for customers (Principle 12 of the FCA Handbook) and must avoid causing foreseeable harm to retail customers (PRIN 2A.2.8R). In its final non-handbook guidance on the Duty, the FCA gave an example of foreseeable harm:

“..consumers becoming victims of scams relating to their financial products because a firm had inadequate systems to detect or prevent scams, or inadequate processes to design, test, tailor, and monitor the effectiveness of scam-warning messages presented to customers.”

While Metro may not have classified Mrs T as vulnerable or applied any additional support measures, the above would still apply when considering this case.

Should Metro have recognised that Mrs T was at risk of financial harm from fraud?

In view of the available evidence, I think Metro should have recognised from the second payment onwards that Mrs T was at risk of financial harm and done more to question the payment activity from that point onwards.

Mrs T said that she was unable to make any of the disputed payments without speaking to Metro over the phone. The bank provided our service with call recordings for payments 1, 2, 3 and 7. It also didn't challenge her assertion when I asked about this, and from listening to the recordings it appears likely to be correct: she referred to needing to call to make SEPA payments, and staff appeared to confirm this during the calls.

Given the multiple occasions where payment activity required the involvement of Metro staff, there were several opportunities to identify any concerning features or risks of financial harm during these interactions.

For the first payment of £1,900 to Payee 1, Mrs T was asked for the purpose of the payment and said it was for a consultancy fee. The second payment, only four days later and for a considerably larger amount, was to the same payee for the same stated purpose. In my view, the Metro agent handling that second call should have questioned why she was making another payment so soon, at a five-fold increase, for an identical reason. That should have prompted deeper questioning about the nature of her relationship with the payee and the services being provided.

Although I appreciate that Mrs T supplied an inaccurate purpose under the scammer's instruction, banks like Metro should reasonably be aware that scammers often instruct victims to provide cover stories and have measures in place to counter this. I have reviewed the correspondence Mrs T had with the scammer, and she had not been given any detailed guidance on what to say if challenged. Had Metro tested her explanation appropriately, on balance, I consider it likely she would have struggled to maintain it in any meaningful detail.

I also think it would have been reasonable in the circumstances of the second payment for Metro's agent to have carried out basic checks on Payee 1 to seek further information about them. A simple online search of the name leads to a prominent website advertising forex, cryptocurrency, and options trading. Metro's own website² indicates that the bank had prohibited payments to known cryptocurrency exchanges from November 2024, so it is possible that Payee 1 would have fallen within that restriction had such a check been carried out. In addition, the consultancy purpose Mrs T gave would then have appeared inconsistent with the apparent nature of Payee 1's business. It would therefore have been reasonable for Metro to question her further about this and ask whether the payments were in fact for an investment.

The subsequent transactions that followed only increased the level of concern. Over the next six days, Mrs T made four further payments to Payee 1 totalling £40,000, again giving the

² <https://www.metrobankonline.co.uk/ways-to-bank/i-want-some-information-about/fraud-and-security/>

same vague purpose of consultancy fees, without any recorded challenge from Metro staff. All earlier activity was visible to staff on each call, and every interaction represented an opportunity to identify the issues I've highlighted.

The later payments to Payee 2 then raised further questions. According to her account-opening information, Mrs T stated she would only be making payments to UK accounts. These substantial payments to a payee based overseas contradicted this and, in light of other factors, warranted further enquiry.

Taken together, I consider that there were clear indications from the second payment onwards that Mrs T was at risk of financial harm and was potentially being scammed. These signs only escalated with each subsequent payment, and staff had repeated opportunities to identify several concerning characteristics in the activity but did not do so.

In summary, I consider that Metro had sufficient information to reasonably suspect that Mrs T was making payments for investment purposes which she was attempting to conceal. Those two factors alone should have triggered red flags before any further payments were processed in order to avoid Mrs T suffering foreseeable harm in circumstances where she was being scammed, but Metro did not probe her further or address the identifiable risks.

In line with Metro's obligations under the Consumer Duty, it would therefore have been fair and reasonable for staff to question Mrs T more thoroughly about the nature of the payments and to provide clear, tailored information about the common features and risks of investment scams.

Would further intervention from Metro have prevented the losses?

While it must be acknowledged that Mrs T repeatedly provided inaccurate answers about the purpose of payments to Metro, I believe that proportionate interventions from the bank would have made an impact on Mrs T and could have prevented further losses.

I say this in light of the evidence Mrs T has provided of an intervention by a cryptocurrency exchange (referred to hereafter as E) in April 2025, which successfully stopped her from continuing to make payments to the scam. Shortly after opening an account with that platform at the scammer's instruction, E expressed concern that she was being scammed based on the information she provided in an enquiry she sent them. They then held a Zoom call with her and followed up with an email containing tailored written advice about investment scams. This intervention stopped her from making any further payments, and she reported the matter to Metro shortly afterwards.

In my view, E's intervention strongly suggests she would have responded positively had Metro provided a similar, proportionate warning at an earlier point in the payment timeline and it would have made a difference. Given this and the absence of such an intervention from Metro which I feel was warranted on several occasions, I think Metro should take further action to address the losses from the second payment which could have reasonably been prevented.

Should Mrs T bear any responsibility for the loss?

Having reviewed Mrs T's actions throughout the scam, I agree with the investigator's conclusions that she missed opportunities to prevent her losses. Given that she accepted the investigator's recommendations, I won't go over this point in detail. In summary, I consider there were several signs of concern that she should reasonably have reflected on — for example, why it was necessary to disguise the purpose of the payments to Metro while the scam was ongoing. No legitimate investment firm would require someone to do this. I also note that the channel of communication she was engaging with the scammer on was particularly unusual for a financial institution of this nature.

I appreciate that Mrs T is ultimately a victim of a cruel scam, but it wouldn't be fair for Metro to be fully liable for the losses in view of what I've seen.

Putting things right

Metro Bank Plc must pay Mrs T:

- 50% of the outstanding losses from payments 2 to 8, including the associated fees.
- Interest on this amount calculated at 8% simple per year from the date of the transactions to the date of settlement. If Metro Bank deducts tax from this interest, then it should send Mrs T the appropriate tax deduction certificate.

My final decision

My final decision is that I will be upholding Mrs T's complaint in part and Metro Bank Plc must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 10 April 2026.

James Abbott
Ombudsman