

The complaint

Mr M complains that Metro Bank PLC ('Metro') won't reimburse the funds he lost when he fell victim to a scam.

What happened

Mr M says that he received social media contact from someone I'll call J in this decision. J said that she was a financial trader who was based abroad. Mr M and J quickly built a relationship. In her messages, J regularly talked about a project she was involved in and the passive income it generated for her. She told Mr M that her aunt was a senior financial advisor and shared information with her. Mr M initially didn't show a lot of interest, but J presented herself as trustworthy and charitable and regularly discussed the opportunity to make money to build a future together. Ultimately, Mr M was persuaded to get involved.

J made it clear to Mr M that he wasn't investing as that involved risk. What she was offering was a totally risk-free opportunity to earn a passive income. The more money put into the project, the greater the profit.

Mr M made three international payments of £5,000, plus a £25 fee each time, on 11, 25 and 27 May 2022. These transactions were later recalled as he was told the payee didn't receive the funds. When the recalled payments credited his account, one was less than £5,000 because of a change in the exchange rate.

In addition to the international payments Mr M made the following transactions to a cryptocurrency provider.

Payment	Date	Amount	Payee
1	13/06/22	£250	Crypto 1
2	16/06/22	£250	Crypto 1
3	22/06/22	£2,000	Crypto 1
4	23/06/22	£6,000	Crypto 1
5	27/06/22	£2,000	Crypto 1
6	28/06/22	£2,000	Crypto 1
7	02/07/22	£5,000	Crypto 1
8	14/07/22	£1,000	Crypto 1
9	03/08/22	£10,000	Crypto 1
10	26/09/22	£20,000	Crypto 2
11	27/09/22	£20,000	Crypto 2
12	28/09/22	£20,000	Crypto 2
13	29/09/22	£20,000	Crypto 2

14	29/09/22	£64,000	Crypto 2
Total		£172,500	

I can see that Mr M received the following credits:

Date	Amount
03/06/22	£50
29/06/22	£284
30/07/22	£2,700.06
	£3,034.06

When Mr M tried to withdraw funds, he was told that his account had been frozen until he paid certain fees. As the level of fees increased, Mr M realised he was the victim of a scam. He instructed a professional representative to complain to Metro in July 2024.

Metro reimbursed the losses Mr M made as a result of making the first three international payments, including the fees and the amount lost due to a change in the exchange rate. But Metro said that it isn't liable for the payments made to accounts in Mr M's own name so wouldn't reimburse anything more.

Mr M was unhappy with Metro's response and brought a complaint to this service. He said Metro should have intervened when he made out of character payments and that he was vulnerable because of the surgery he had in August 2022.

Our investigation so far

The investigator who considered this complaint recommended that it be upheld in part. He said that Metro should have intervened when payments four and ten were made. On balance, the investigator felt that intervention wouldn't have prevented Mr M's loss at payment four, but would have at payment ten. The investigator thought Mr M should share responsibility for his loss so recommended that he be reimbursed 50% of all payments from and including payment ten.

Mr M accepted the investigator's findings. Although Metro said it didn't agree, it didn't share any reasoning.

I intended to reach a different outcome to the investigator, so I issued a provisional decision on 28 October 2025. In the "What I've provisionally decided – and why" section I said:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in all the circumstances of this complaint.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice and, where appropriate, what I consider to have been good industry practice at the time.

It's not in dispute that Mr M lost his money in a scam, and that he authorised the payments to the scammer. Mr M initially made three separate international payments of £5,000 each. Each of these transactions were recalled and Metro has reimbursed an exchange rate difference and the fee it charged when the payments were made. This means there is no loss in respect of these transactions, so I won't consider them further here.

The remaining payments are not covered by the provisions of the Contingent Reimbursement Model Code. The payments to cryptocurrency provider two were to an account in Mr M's own name and the code only applies to payments to someone else. Mr M says he does not have access to an account with cryptocurrency provider one and he thinks

the account may have been created by the scammer(s). Even if this is the case, the CRM Code still doesn't apply. This is because legitimate cryptocurrency was bought, and the cryptocurrency wasn't sent by faster payment. I also note that there was no reference to an account not controlled by Mr M in the messages between him and J.

As the payments Mr M made aren't covered by the CRM Code, I can't consider its provisions in respect of vulnerability.

Should Metro have recognised that Mr M was at risk of financial harm from fraud?

I have gone on to consider Metro's wider obligations in respect of these payments. 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 (in this case the 2017 regulations) and the terms and conditions of the customer's account.

I consider it fair and reasonable that at the time the transactions were made Metro should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have 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 warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Metro acted fairly and reasonably in its dealings with Mr M when he authorised payments from his account, or whether it could and should have done more before processing them.

I've considered Mr M's account history for the period before he started to make scam payments. I can see that the account was used for very low value transactions, usually under £100. There were a few card payments of £300 to £400 and a one-off larger card payment of £1,146.95. Mr M then made three international payments of £5,000 (which were part of the scam). This represented a significant change in the use of his account. Two of the payments were made in store. Mr M told Metro staff that the first payment was to purchase something to be delivered to the UK, and another payment was to the same individual. As I have said above, I am not considering whether Metro should reimburse these transactions as Mr M hasn't suffered a loss in respect of them, but they are relevant to my consideration of Mr M's use of his account.

After making three out of character international payments and recalling all three (saying the recipient hadn't received them) Mr M started to make payments to a cryptocurrency exchange. The first three transactions to the exchange were low in value and not at a level where I'd expect Metro to have concerns about them, so I don't think Metro should have taken additional steps before processing them. There's a balance to be struck; banks have obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't be involved in every transaction as this would cause unnecessary disruption to legitimate payments.

But I think the position changed when Mr M made a further payment to a cryptocurrency exchange of £6,000 on 23 June 2022. The use of Mr M's account had changed significantly with a series of higher than usual international payments followed by a high value transaction which was clearly linked to cryptocurrency. I think that when this transaction was made Metro ought reasonably to have intervened and asked Mr M questions about the payment to satisfy itself that he wasn't at risk of financial harm from fraud.

The FCA and Action Fraud published warnings about cryptocurrency scams in mid-2018 and scams involving cryptocurrency have increased in prevalence since then. So I don't think that the fact Metro might have thought the payment was going to an account held in Mr M's own name should have led it to believe there wasn't a risk of fraud.

Would appropriate intervention have prevented the losses Mr M suffered from payment four onwards?

I've gone on to consider whether intervention of the type described above would likely have made a difference and prevented Mr M from making further payments. On balance, I think it would and will explain why.

I recognise that Mr M thought that he was in a relationship with J and that he told her in messages that he loved and trusted her. I also appreciate that J told Mr M not to mention cryptocurrency to his bank and to just say that any payment was for trade, which is what Mr M did when making the recalled £5,000 payments and a later payment of £64,000 in store. But given the payee in this case, it was clear that cryptocurrency was involved.

When Mr M made the payment of £64,000 to the same cryptocurrency exchange around three months later, Metro's records show that he told Metro he was buying cryptocurrency for business purposes. Having read the messages between Mr M and J, it's clear that he didn't have a cover story beyond saying that any payment was for 'trade', which is far from convincing. I think he would have had real difficulty explaining why he was sending funds to a cryptocurrency exchange and why they related to a business. I'm satisfied that it's more likely than not that had Metro asked the right questions and provided relevant context, Mr M would have recognised the hallmarks of an investment scam that started on social media. He was being offered huge returns with zero risk by someone he had never met in person. Throughout his chat with J, Mr M asked many questions to try to understand the project and how J had made money from it.

It also seems to me that when Metro spoke to Mr M it did a poor job. He was read a message that told him to check the FCA website, check the company's details match on a genuine website and that his money could be lost if it was a scam. I'd expect Metro to go beyond this and ask probing questions to understand why Mr M was sending large sums of money to a cryptocurrency exchange.

Should Mr M bear any responsibility for his loss?

I've gone on to consider whether Mr M should bear any responsibility for his loss. In considering this point I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in all the circumstances of the complaint.

I recognise that J went to great lengths to encourage Mr M to trust her, but I think he ought reasonably to have had serious concerns about what J was telling him and taken additional steps before making the payments. In saying this, my intention is not to further Mr M's distress, as he has already been the victim of a cruel scam.

Mr M was contacted out of the blue by someone who, from early on in their communications, regularly talked about the money she was making through a project she claimed to involve no risk at all. The amounts J said she was earning, and the rates of return were totally unrealistic – particularly given the claimed lack of risk. Mr M also didn't complete any research prior to sending huge sums of money.

Calculation of redress

I think that Metro should have prevented Mr M's loss from and including the payment of £6,000 on 23 June 2022 (payment four). In calculating fair redress I've taken into account that Mr M has received some reimbursement.

I can see that Mr M received money back that he understood to have been 'profit/return' from his investment. Given Mr M was falling victim to a scam, and his 'investment' wasn't genuine, I don't think this money should be attributed to any specific payment. Instead, I think this money should be deducted from the amount lost by apportioning it proportionately across all of the payments Mr M made to the scam that were lost to the scam (so I have not included the three recalled international payments). This ensures that these credits are fairly distributed.

To work this out, Metro should take into account all of the payments Mr M made to the scam from 23 June 2022 onwards.

In this case, the 'profit/returns' received equals £3,034.06 and the total amount paid to the scam equals (excluding payments that don't form part of Mr M's loss) £172,500. Metro should divide the 'profits/returns' by the total amount paid to the scam as set out above. This gives the percentage of the loss that was received in 'profits/returns'. Deducting that same percentage from the value of each payment after and including the payment of £6,000 on 23 June 2022 gives the amount that should be reimbursed for each payment.

Here the 'profit/returns' amount to 1.76% of the total paid to the scam. It follows that the outstanding loss from each payment after and including the £6,000 payment made on 23 June 2022 should be reduced by the same percentage. That means Metro should reimburse 98.24% of each payment after and including the £6,000 payment on 23 June 2022.

Please note that, for ease of reading, I've rounded the relevant percentages down to two decimal places, but Metro should perform the calculation I've set out above to arrive at a more precise figure, as I have done to arrive at the figure below.

After taking the steps set out above, I calculate Mr M's outstanding loss from these payments to be £167,009.92.

Contributory negligence

As I've explained, I also think that the amount reimbursed should be reduced by 50% to reflect Mr M's contributory negligence.

I therefore calculate the overall reimbursement due to Mr M to be £83,504.96."

Responses to my provisional decision

Mr M let me know he accepted my provisional decision. Metro didn't reply.

The Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.14 and 3.5.15, say that if a respondent or complainant fail to comply with a time limit, the ombudsman may proceed with the consideration of the complaint. As the deadline for responses to my provisional decision has expired, I'm issuing my final decision.

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.

As neither party has raised any new evidence or arguments for me to consider my final decision is the same as my provisional decision (as set out above), and for the same reasons.

In summary, I think that Metro should have recognised a significant change in Mr M's use of his account when he made the £6,000 payment on 23 June 2022. Had Metro intervened and

asked the kind of questions I think it ought reasonably to have done, I think it's more likely than not the scam would have been uncovered and Mr M's loss prevented. I'm satisfied Mr M should share the responsibility for his loss from this point onwards given the trust he placed in someone he hadn't met and the significant gains he was promised without any risk.

In calculating redress, I have apportioned the 'returns' Mr M received across all payments lost to the scam.

My final decision

I uphold this complaint and require Metro Bank PLC to:

- Reimburse £83,504.96; and
- Pay interest on the above amount at the rate of 8% simple per year from the date of each transaction to the date of settlement.

If Metro Bank PLC is legally required to deduct tax from the interest it should send Mr M a tax deduction certificate so he can claim it back from HMRC if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 December 2025.

Jay Hadfield
Ombudsman