

The complaint

Mr M complains that Metro Bank PLC (as the recipient bank) didn't do enough to prevent him from losing money to what he says was a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In October 2019 Mr M sent a payment of £10,000 from his account with 'L' to an account provided by Metro Bank.

Mr M says that he'd been provided with an Information Memorandum (IM) for an investment with a company I'll refer to as 'M'. He says this was provided to him, after the Financial Conduct Authority (FCA) had instructed that the IM should be withdrawn. He says the funds he intended to transfer to M were actually transferred to a different entity 'G'. He describes the whole process as duplicitous and misleading and believes he's been the victim of an authorised push payment (APP) scam.

Mr M complained to both his own bank 'L' and Metro Bank. He is seeking to be reimbursed for his loss, something neither bank offered to do. One of my Ombudsman colleagues has already issued a final decision in relation to Mr M's complaint about L. This complaint wasn't upheld and the Ombudsman said: *"I'm not satisfied there's sufficient evidence to show an APP scam has taken place."*

One of our Investigators also considered the complaint about Metro Bank and similarly didn't recommend that it should be upheld. Mr M disagrees and has asked for an Ombudsman to review his complaint.

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 reached the same outcome as our Investigator and for broadly similar reasons. I know this will be disappointing for Mr M, so I'll explain why.

Mr M has made some detailed submissions in support of his complaint. I've read and considered all that he's sent in. But I don't intend to respond in similar detail. So, if I don't mention a particular point or piece of evidence, it isn't because I haven't seen or thought about it. It's just that I don't feel I need to reference it to explain my decision. This isn't intended as a discourtesy and is just a reflection of the informal nature of our service.

On the point of whether a scam has taken place, to a certain extent, there isn't a great deal I can add to what my Ombudsman colleague has already said in his decision about Mr M's linked complaint about L – especially when taken in conjunction with all our Investigator has already said. For completeness, I agree that there is insufficient evidence for me to fairly

conclude that when accepting Mr M's payment from him, G intended to defraud him and that they had no intention to use those funds in furtherance of property development.

I understand Mr M's point that what can start as a legitimate enterprise, can later turn into a fraud or Ponzi scheme. Even if I were to accept that later happened (something which for clarity I don't), part of the evidence to support this (a press release issued by the Insolvency Service in 2021) which Mr M seeks to rely upon says the following. *"[G] took over £2 million in deposits from loan note creditors between 1 December 2019 and February 2020, a period when the directors ought to have known that all of the companies were insolvent."* And as I've detailed above, Mr M's payment took place in October 2019. So the Insolvency Service hasn't said that at that time, G were trading whilst insolvent. And as my colleague said on the linked complaint, even if they were, that isn't in and of itself proof of an intention to defraud Mr M. It isn't uncommon for businesses to face financial difficulties and to attempt to trade their way back into profitability. So even if G were already facing issues in October 2019, this doesn't persuade me that their intention at the time was meaningfully different to what Mr M thought.

Mr M has also made much of the fact that he says he believed he was paying (and had an agreement with) M but his payment actually went to an account in G's name. I'm satisfied that G was linked to M (despite being a different limited company). There was a shared director and some of the documentation Mr M has submitted also included that M was a brand name that encompassed the developer and its subsidiaries and any other company with the same director. So, I don't find this to be persuasive evidence of an intention to scam him. Many business groups will structure themselves in similar ways for a variety of reasons. And I don't think this evidences dishonest intent when taking Mr M's payment. And I also can't say that Metro Bank did anything wrong or made an error when applying Mr M's payment to the account in question.

I accept that there has been some poor conduct by M and G. And it may be that the conduct involved might have later reached the level of criminality. But taking all Mr M's points collectively, it still isn't, in my opinion, sufficient to evidence that a scam took place in October 2019 when he made the payment relevant to this complaint.

I echo my colleagues comments that there hasn't been anything from the authorities which has confirmed that G were operating a scam. And that there don't seem to have been any charges brought. Comment has been provided about G's practices, and of course it has been forced to close down. But had a scam been identified, it's reasonable to expect that this detail would've started to come through from the statutory bodies involved in investigating G. There is a possibility it might do so in the future, in which case it might be possible for the subject matter of this complaint to be revisited.

And so as I've concluded that there is insufficient evidence to support that a scam has taken place, there isn't any basis upon which I could make an award or conclude that Metro Bank did anything wrong in their opening and monitoring of the account in such a way that it would've impacted Mr M's loss.

Similarly, Mr M's funds had long been moved on before Metro Bank were on notice of the allegation of a scam. So, I don't think anything Metro Bank did or didn't do at that point impacted whether a recovery could be made.

I'm of course sorry to hear Mr M lost the money he did, as well as of the impact that dealing with this matter has had on him, especially as I understand he is facing difficult personal circumstances, for which he has my sympathy. But as I don't think Metro Bank can fairly be said to be responsible for his loss, there isn't a reasonable basis upon which I can require them to do more to resolve this complaint.

My final decision

For the reasons outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 January 2026.

Richard Annandale
Ombudsman