

The complaint

Mr S complains that Metro Bank PLC (Metro Bank, hereinafter) hasn't refunded the losses he's incurred when falling victim to an investment scam.

What happened

Mr S was introduced to the investment scam through a social media messaging group in June 2024. Mr S was told this was a mining investment, as opposed to a cryptocurrency one, which was much safer and remunerative. Mr S communicated with the scammer via the social media messaging app and was made to believe he had access to a genuine trading platform.

Mr S moved funds from his limited company to his Metro Bank account, and then from there he topped up his account with a payment service provider that I'll refer to as R, via debit card payments. He then converted the funds into cryptocurrency, before sending it to the scammer. Mr S also made a single card payment to a cryptocurrency wallet in his own name.

From his Metro Bank account Mr S made the following payments:

Date	Time (GMT)	Amount	Type of transaction
2 July 2024	16:40	£500	debit card payment to Mr S' account with R
2 July 2024	17:51	£500	debit card payment to Mr S' account with R
4 July 2024	11:45	£500	debit card payment to Mr S' account with R
4 July 2024	14:17	£500	debit card payment to Mr S' account with R
5 July 2024	15:59	£500	debit card payment to Mr S' account with R
6 July 2024	07:58	£500	debit card payment to Mr S' account with R
8 July 2024	10:47	£1000	debit card payment to Mr S' account with R
8 July 2024	13:10	£1000	debit card payment to Mr S' account with R
8 July 2024	17:17	£99.56	debit card payment to Mr S' cryptocurrency wallet
9 July 2024	09:29	£1000	debit card payment to Mr S' account with R
9 July 2024	10:45	£2000	debit card payment to Mr S' account with R
10 July 2024	07:58	£2000	debit card payment to Mr S' account with R
29 July 2024	08:44	£3000	debit card payment to Mr S' account with R
29 July 2024	10:15	£3000	debit card payment to Mr S' account with R
29 July 2024	13:12	£5000	debit card payment to Mr S' account with R

Mr S realised that he'd fallen victim to a scam when he could not access his trading platform in September 2024.

Mr S complained to Metro Bank and asked to be refunded, but Metro Bank said that, as Mr S had made regular card payments to R and genuine investment firms prior to the scam, the disputed payments weren't suspicious enough to require the bank's intervention. Metro Bank said it could not be held liable for Mr S' losses in this instance.

Mr S also complained to R, but R declined to refund him.

So, Mr S referred both complaints to the Financial Ombudsman Service.

Mr S was partially refunded for his scam losses by R, after he brought the complaint to our service, so this complaint only focuses on whether the remaining losses should also be refunded by Metro Bank.

When reviewing this complaint, our Investigator found that the scam payments weren't out of character enough to alert Metro Bank that Mr S may be at risk of suffering from financial harm, so they didn't uphold the complaint.

Mr S disagreed with our Investigator's view on the basis that the Metro Bank account activity had an unprecedented inflow and outflow of funds during the scam, which ultimately left the account in significant overdraft. Mr S said the value and high frequency of these payments should have alarmed Metro Bank and warranted further scrutiny.

In light of this disagreement, I have been asked to review everything afresh and reach a decision on the matter.

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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No courtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr S has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr S is automatically entitled to recompense by Metro Bank. It would only be fair for me to tell Metro Bank to reimburse Mr S for his loss (or a proportion of it) if:

- I thought Metro Bank reasonably ought to have prevented all (or some of) the payments Mr S made, or
- Metro Bank hindered the recovery of the payments Mr S made

whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Metro Bank treated Mr S fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did.

Having done so, I've decided to not uphold Mr S' complaint.

I know this will come as a disappointment to Mr S and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr S made the payments himself, and the starting position is that Metro Bank should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance.

I appreciate that Mr S did not intend for his money to ultimately go to fraudsters – but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards (including the Consumer Duty); codes of practice; and, where appropriate, what I consider to be good industry practice at the time – Metro Bank should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

So, I've thought about whether the transactions should have highlighted to Metro Bank that Mr S might be at a heightened risk of financial harm due to fraud or a scam.

I've considered that Mr S had made several genuine debit card top-ups to his account with R in the months preceding the scam and for similar amounts. He had also been making regular investments with at least three genuine firms, from which he was also getting returns.

So, I think it's fair to say that Metro Bank would have known Mr S was using his account to make payments with R and to invest.

Looking at the frequency and value of the scam payments in July 2024, I don't think they departed significantly enough from the earlier genuine activity to alert Metro Bank that Mr S may have been at a heightened risk of financial harm.

I say this because, whilst some scam payments were made on the same day, this had also been the case with previous genuine top-ups. Moreover, the transactions' combined amount wasn't very high, and they weren't made in very quick succession.

I acknowledge that the combined amount of the transactions on 29 July was higher than previous activity. However, given that Mr S was using his Metro Bank account to invest and transfer relatively large amounts of money when topping up the account with R, I don't think that these transactions departed enough from the established pattern of payments to alert Metro Bank.

Mr S pointed out that Metro Bank should have realised something was amiss due to the influx of funds hitting his account before being moved immediately after. However, I note that this was a regular occurrence for the account from before the scam, with Mr S crediting the Metro Bank account before making his investment payments.

Moreover, I disagree that the account being left overdrawn by the end of the scam should have alerted Metro Bank, as Mr S had an arranged overdraft with the bank and often left the account overdrawn.

Due to the reasons I have outlined above, I am not persuaded Metro Bank ought to have intervened on any scam payments and, therefore, I can't hold it responsible to refund Mr S' losses.

Recovery

I've also thought about whether Metro Bank could have done more to recover the funds after Mr S reported the scam.

As part of the scam, the funds were forwarded on to the scammer from Mr S' account with R. So once Mr S had done that, there would have been no money to recover.

Moreover, I don't think any chargeback claims raised by Metro Bank would have been successful.

A chargeback is a voluntary scheme run by card scheme providers. It arbitrates on disputes between a customer and a merchant where they haven't been able to resolve matters themselves. The arbitration process is subject to the rules of the scheme – which are set by the scheme providers – and there are only limited grounds on which a chargeback can be raised. Chargebacks raised outside of these grounds are deemed invalid.

A chargeback isn't a consumer right – and it might be reasonable for a firm to not attempt a chargeback where there is limited prospect of success. Metro Bank isn't obliged to put a claim through just because Mr S requests one. But I'd consider it good industry practice to do so, if the claim were likely to succeed.

Given the payments were authenticated through Apple Pay, it's unlikely a chargeback would be successful on the grounds of authorisation.

And as the payments went to a legitimate payment service provider, it's likely the services were provided, just not for the benefit of Mr S. It follows that it's unlikely a chargeback claim would be successful on the grounds that any goods or service hadn't been provided.

So, I don't think a chargeback claim would have been successful in the circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 19 January 2026.

Daria Ermini
Ombudsman

