

## The complaint

Ms Z is being represented by a friend. She's complaining about Metro Bank PLC because it declined to refund money she lost as a result of fraud.

## What happened

Sadly, Ms Z says she lost money to a cruel scam. In making her complaint she's referred to a series of 17 payments from her Metro account totalling nearly £18,000 on 24 and 25 October 2024. These were all sent to her account with an electronic money institution (EMI), after which she says money was transferred to the scammers.

Our investigator didn't recommend the complaint be upheld. Ms Z didn't accept that assessment and the complaint has been referred to me for review.

## My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I thought it should be upheld. My reasons were as follows:

*Did Ms Z lose money to a scam?*

*The investigation of this complaint has been hindered by the fact Ms Z has provided conflicting accounts of what happened to her money. At one point, she said she received a link by email that appeared to be genuine but when she clicked on it, fraudsters were able to access her device and make payments without her consent. On other occasions, she's said she was scammed by what she thought was a legitimate company she found online when she was trying to arrange a funeral for her father.*

*A letter has been provided from Ms Z's doctor that says she has a history of mental health problems and that events that took place around this time (including the death of her father) left her in 'a vulnerable mental state'. Her representative has said her mental health problems mean she sometimes struggles to differentiate between what's real and what isn't.*

*I've reviewed the evidence carefully to ascertain what took place. First, Ms Z's doctor has confirmed that her father died in October 2024, which ties in with the payments she says were lost to a scam. She's also provided screenshots of various text messages dated 24 and 25 October, the same dates as those payments were made. If Metro hasn't seen these messages previously and wants to see them now, it can ask the investigator to forward them on. In summary, these messages reveal Ms Z was indeed trying to arrange a funeral for her father and that she was sending multiple payments from the EMI and that the name given by the person she was speaking to matched that of the recipient of those payments. With this information in mind, I think this all amounts to persuasive evidence that the payments made on these dates were intended to pay for her father's funeral.*

*After considering the circumstances, I think it's also the case that this was all part of a scam. If the funeral company was genuine, I wouldn't have expected it to require multiple payments in this way. Further, when Ms Z spoke to Metro later on 25 October, the bank's agent was in no doubt that she was falling victim to a scam.*

*How much was lost to the scam?*

*In making her complaint, Ms Z has referred to 17 payments to the EMI on 24 and 25 October 2024 totalling nearly £18,000. According to the records provided by Metro, the last payment to the EMI was made at 13.34 on 25 October. There are no records of any further payments to the EMI on this or subsequent days.*

*The EMI has also provided a list of transfers made from Ms Z's account at this time and this shows she made two transfers on 24 October with a combined value of £242.21 and a further six transfers with a combined value of £6,376.10 on 25 October. These were sent to two payees in a country she hadn't transferred money to before, the second of which received all six payments on 25 October and whose name matched the name Ms Z was given in the text messages I've described above. The sequence of payments on 25 October began at 12.33 and ended at 13.07. In my view, the evidence points to the conclusion that these payments were lost to the scam. The EMI's records show no further transfers out of Ms Z's account on this or subsequent days.*

*While Metro's records show Ms Z made payments totalling nearly £18,000 from her EMI account at this time, the EMI's records indicate that less than £7,000 of this was actually transferred to the scammers. This point has been raised with Ms Z previously and her representative suggested the EMI's records may be incomplete as she closed her account and requested her records were deleted. We subsequently contacted the EMI about this and it said:*

*With respect to the concern that certain transfers may be missing because the customer requested deletion of her data:*

*[EMI] does not delete transactional records where it has a regulatory obligation to retain them. This includes records of money transfers and associated account activity. Even if a customer submits a data-deletion request, [EMI] is required by law to retain specific financial and compliance-related data for mandated retention periods. Accordingly, a customer's deletion request would not result in removal of transaction history or transfer records.*

*Pulling all of this together, I think the evidence indicates Ms Z did lose money to a scam when she was trying to arrange a funeral and that she sent payments totalling £6,618.31 to the scammers. This conclusion underpins the rest of my findings in the remainder of this decision.*

*It's currently not clear what happened to the rest of the money Ms Z transferred to the EMI on 24 and 25 October, but I've seen nothing at this stage to show it was sent to the scammers. I am willing to consider any further evidence Ms Z may be able to provide on this point.*

*Metro Bank's responsibilities*

*While Ms Z did at one point say she hadn't made the payments from her Metro account, there now doesn't appear to be any dispute that she did in fact authorise them. In broad terms, the starting position at law is that a bank is expected to*

*process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.*

*But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that 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. 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;*
- 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;*
- 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; and*
- 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.*

*Taking these points into account, I need to decide whether Metro acted fairly and reasonably in its dealings with Ms Z.*

*Should Metro have recognised that Ms Z was at risk of financial harm from fraud?*

*I must take into account that many similar payment instructions Metro receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly.*

*Payments to the EMI before 25 October were few in number and low in value and I don't think there was any particular reason for Metro to be concerned about them or that it was at fault for processing them in line with her instructions.*

*I think the same can be said about the initial payments on 25 October. But by the time of the payment at 08.08, Ms Z had instructed six payments totalling over £6,000 to the same payee in less than one hour. In my view, Metro should have identified that this pattern of multiple and rapid payments was consistent with many types of known scam and that this is the point at which the bank should have intervened in the payment process.*

*What did Metro do to warn Ms Z?*

*According to the information it's provided, Metro identified suspicious activity on Ms Z's account at 15.49 on 25 October. This is much later than I've suggested it should have intervened and was after all of the payments Ms Z has identified as being linked to the scam had been completed.*

*What kind of intervention should Metro have carried out?*

*Having thought carefully about the risks these payments presented, I think a proportionate intervention would initially have been for Metro to ask about the purpose of the payment at 08.08 on 25 October with a view to identifying the most likely type of scam that could be taking place and then to provide a relevant tailored warning. And, if the payments continued after this, I would have expected the bank to have wanted to speak to Ms Z later in the day, perhaps when she tried to make the 10<sup>th</sup> payment of the day at 08.48, to attempt to establish the circumstances surrounding the payment before allowing it to leave her account.*

*If Metro had intervened as I've described, would that have prevented Ms Z's losses?*

*In reaching a conclusion on this point, I'm conscious that Metro did identify suspicious activity and blocked the account later on 25 October and then required Ms Z to make contact before the block could be removed. Its records show the block was applied at 15.49 and that its agents spoke to her shortly after this. During these calls, Ms Z explained what the payments were for. While the information she gave wasn't entirely accurate, one of the agents was still able to identify she was falling victim to a scam and explain this to her. This obviously resonated with Ms Z as she was very upset and was unable to continue with the call. Shortly afterwards she called back to report the scam and explained the payments were actually intended to pay for her father's funeral.*

*Crucially in my view, the EMI's records show no further transfers were made from Ms Z's account after this. I think this shows Metro's intervention was effective and I find that it's likely a similar intervention earlier in the day – which I think should have been attempted in response to the payment instruction at 08.48 – would have been similarly effective in uncovering the scam and preventing Ms Z from making further payments from her Metro account.*

*As I've outlined above, the EMI's records show that Ms Z made six transfers to the scammers on 25 October, the first of which came at 12.33. This is after I've concluded Metro should have carried out an intervention that would have uncovered the scam and I think it follows that these payments most likely wouldn't have been made if it had done that.*

*On balance, and taking everything into account, I think it's likely that the six payments made from the EMI to the scammer on 25 October, for a total of £6,376.10, wouldn't have been made if Metro had acted as it should have.*

*Is it fair and reasonable for Metro to be held responsible for Ms Z's loss?*

*I have taken into account that Ms Z remained in control of her money after making the payments from Metro. It wasn't lost until she took further steps. But Metro should still have recognised she was at risk of financial harm from fraud, made further enquiries about the payments and ultimately prevented her loss. I think Metro can fairly be held responsible for any loss in these circumstances.*

*While I have considered all of the facts of the case, including the role of other financial institutions involved, Ms Z has chosen not to pursue a complaint about any other business and I can't compel her to do so. And, I don't think it would be fair to reduce her compensation because she's only complained about one business, as I consider that Metro should have prevented the loss.*

*Should Ms Z bear any responsibility for her losses?*

*I've considered the evidence carefully to decide what's fair and reasonable in the circumstances. While I accept Ms Z believed these payments were to a legitimate company initially, there are reasons to think she should have realised this wasn't the case as she was repeatedly requested to send more. But I'm also conscious she was grieving the very recent death of her father and, as confirmed by her doctor, was in a vulnerable mental state at the time. On balance, I don't believe it's appropriate for Metro to make a deduction from the compensation payable in this case.*

*Recovery of funds*

*Because the payments were made to an account in her own name, Ms Z isn't eligible for reimbursement under the industry's reimbursement scheme for authorised push payment (APP) fraud. But I've also looked at whether Metro could or should have done more to try and recover her losses once it was aware that the payments were part of a scam.*

*Ms Z transferred funds to a legitimate account in her own name. From there, she transferred the money to the scammers. Metro could only try to recover funds from her own account and it appears it had already been moved on by the time it became aware of the scam. If not, anything that was left would still have been available to her to access in any event.*

*As the payments were made by card, I've considered whether Metro should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. I'd only expect Metro to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Ms Z sent money to a legitimate account with an EMI and received the services she expected from it. Her disagreement is with the scammers, not the EMI, and it wouldn't have been possible for Metro to process a chargeback claim against the scammers as she didn't pay them directly.*

*In the circumstances, I don't think anything that Metro could have done differently would likely have led to these payments being successfully recovered.*

*In conclusion*

*For the reasons I've explained, I don't think Metro acted fairly and reasonably in its dealings with Ms Z and I'm proposing to uphold this complaint. While I don't think it acted incorrectly in processing the initial payments, if it had carried out an appropriate intervention at the appropriate time, I'm satisfied Ms Z wouldn't have transferred any money from her EMI to the scammers on 25 October.*

## **The responses to my provisional decision**

Metro confirmed its acceptance of my provisional decision. Ms Z provided further evidence of payments to the scam from her EMI account.

## **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 findings haven't changed from those I set out previously.

For clarity, I've listed the six payments from the EMI account on 25 October that I proposed should be refunded. I've included the GBP amounts (which is how I believe they were received by the EMI) and the USD amounts (which is how I believe they were paid to the scammer):

No.	GBP	USD
1	246.28	312.11
2	616.71	781.56
3	1,865.90	2,364.66
4	1,314.91	1,666.39
5	1,314.91	1,666.39
6	1,017.39	1,289.34

These payments total £6,376.10.

I've read through the various screenshots provided by Ms Z very carefully but I haven't been able to identify any additional payments from her EMI account that aren't included in this list. We've also contacted the EMI again to check the situation and it's confirmed there were no other transactions on Ms Z's account that weren't included in the list it previously provided. It's also confirmed that the account was suspended on 26 October before being closed, meaning there were no further payments after 25 October.

As before, it remains unclear what happened to the rest of the money that appears to have left Ms Z's Metro account on 25 October, but no evidence has been provided to show it was sent to the scammers. Without such evidence, I don't believe I can reasonably conclude that money was lost to the scam or that Metro should refund it. This means my view on how the complaint should be resolved remains unchanged.

### **Putting things right**

The principal aim of any award I make must be to return Ms Z to the position she'd now be in but for the errors or inappropriate actions of Metro. If the bank had carried out an appropriate intervention as I've described, I'm satisfied the six payments Ms Z made from her EMI account between 12.33 and 13.07 on 25 October 2024 would have been prevented and she'd have retained this money.

To put things right, Metro should pay Ms Z compensation of A + B, where:

- A = £6,376.10, representing a refund of the six payments made to the scammers from her EMI account on 25 October 2024; and
- B = simple interest on the amount in A at 8% per year from 25 October 2024 to the date compensation is paid.

Interest is intended to compensate Ms Z for the period she was unable to use this money. HM Revenue & Customs (HMRC) requires Metro to deduct tax from any interest. It must provide Ms Z with a certificate showing how much tax has been deducted if she asks for one.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

**My final decision**

My final decision is that I uphold this complaint. Subject to Ms Z's acceptance, Metro Bank PLC should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Z to accept or reject my decision before 25 March 2026.

James Biles  
**Ombudsman**