

The complaint

Mr A complains that Metro Bank Plc won't reimburse the money he lost in a scam.

What happened

Mr A is represented by a claims management company, for simplicity I will refer to Mr A throughout this decision, even when referencing what his representatives have said on his behalf.

Mr A saw an advertisement for the sale of a vehicle on a social media sales website. He messaged the seller, who told him the vehicle was in Spain, but who sent Mr A photos and videos of the vehicle. Mr A agreed a price for the vehicle and that it would be delivered to an acquaintance of Mr A's in another country (not the UK).

Over a ten-day period Mr A then made four transfers out of his Metro account to pay for the vehicle, these payments were to accounts with third parties I'll call R and X, both of which facilitated foreign currency transfers to the individual who claimed to be selling the vehicle. When the vehicle was not delivered as promised, and the seller failed to respond to Mr A's attempts at contact, he realised he had been scammed and contacted Metro.

Mr A has said Metro should've questioned the payments and that if it had then it would have been able to prevent him from being scammed. He says that these were unusual transactions for him to make – as they were for large amounts and to payee's he had not paid before. Mr A says Metro should refund the payments, along with 8% interest from when the payments were made.

Metro has said the payments were not suspicious. It also says they were to third party payment platforms, and not direct to the scammer, so it has been unable to retrieve the money and the payments are not eligible for refund under the Contingent Reimbursement Model (CRM).

Mr A brought his complaint to us. Our Investigator said Metro didn't need to refund the payments as she did not consider they were suspicious enough to have flagged to Metro as unusual. She therefore didn't consider Metro could have prevented this scam from taking place. She also explained that Metro had done all we would expect it to in terms of its obligations regarding recovery of the funds.

Mr A didn't agree. He said the payments were unusual – and that if Metro had intervened it would have been able to identify that this was a scam and therefore stop Mr A from making the payments.

As no agreement could be reached, this case has now been passed to me for a 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.

Having done so I've reached the same conclusions as our Investigator and for the same reasons.

In broad terms, the starting position is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. It's not in question that Mr A authorised and consented to the payments in this case. So although Mr A didn't intend for the money to go to the scammer, he is presumed to be liable for the loss in the first instance.

But that is not the end of the story. Taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Metro 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Bearing in mind the above, I need to decide whether Metro acted fairly and reasonably in its dealings with Mr A when he made the payments, or whether it should have done more than it did.

Mr A made four payments for the vehicle, on 12 August 2022 he made a card payment for just over £2,300 to X, and a faster payment for £2,500 to R. Then on 18 August 2022 he made a further faster payment to R for £4,000. He then made one final card purchase to X for just over £2,300 on 22 August 2022. I have considered whether any or all of these payments were ones that Metro might reasonably have considered unusual – and therefore whether they should've held or stopped the payments and contacted Mr A.

I've looked at Mr A's bank statements for the months prior to these payments, and I don't consider that the payments were unusual enough to have flagged to Metro that something might be wrong. I acknowledge that the overall amount spent was large, but the individual payments were not that out of line with Mr A's usual account activity. Mr A appears to have regularly transferred relatively large sums into and out of his account, often to other accounts in his name but also to third parties. He also had made several large card payments in the preceding months, including payments to business similar to R and X which facilitated international money transfers. So looking at the overall picture of how Mr A used his account, I don't consider that these payments were unusual enough to have been a concern to Metro. So, in this case, I think Metro acted reasonably in processing the payments – I don't think that I could reasonably say that Metro should have stopped the payment for further checks.

I've then gone on to consider whether Metro could have done more to recover the funds. But the nature of the payments, and the time it took for Mr A to discover he had been the victim of a scam after making the payments, mean that it appears the money is not recoverable. Specifically, the evidence I've seen suggests that Mr A was transferring funds from his Metro account to accounts in his own name. So while Metro had an obligation to notify R and X of what had happened, it wouldn't have the same obligations as the bank responsible for the eventual transfer to the scammer's account. I also know, from experience of these kinds of cases, that scammers invariably will move the proceeds of their scams on very quickly, to avoid them being recalled. So any delay in a scam being reported, as there was here, means that the prospect of recovery is very slim. With all of this in mind, I don't consider that Metro could have done more to recover the money that Mr A has lost.

Mr A has lost a lot of money and I don't doubt the stress and upset that will have caused to him. But I'm satisfied that Metro acted reasonably, so while I understand Mr A will be disappointed by my decision, I'm not going to ask Metro to do anything here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 October 2023.

Sophie Mitchell
Ombudsman