

The complaint

Mr K complains that Metro Bank PLC ("Metro") have failed to refund money that Mr K lost as part of a scam.

What happened

Mr K became involved with a scam that related to receiving commission for boosting merchant sales on a third party shopping platform. He made a number of card payments and a transfer to an account with a different provider which was held in his own name. My understanding is that the funds were then sent on to the scammer.

Mr K raised a complaint with Metro as he believed that Metro should have stopped him from making the payments in question.

One of our investigators looked into this matter they decided that the transactions were not sufficiently out of character to warrant an intervention by Metro and that even if an intervention had happened the scam would not have been uncovered. He also concluded that there was no other means of Metro recovering the funds.

Mr K did not agree with this and therefore his complaint was passed to me to issue a 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

It isn't in dispute that Mr K authorised the disputed payments he made to the account held in his own name with a different provider. The payments were requested by him using his legitimate security credentials provided by Metro, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

However, I've also considered whether Metro should have done more to prevent Mr K from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character. However, having thought about Mr K's account activity, I do not think the payments he is disputing should have been regarded as particularly unusual as there were payments in the past that were of a similar size.

I note that there was an intervention from Metro during the transactions in question but that was limited to Metro making sure the payments were authorised. I don't think that Metro needed to do more.

The payments were not of such a large amount that they would represent a significant deviation from what would be considered as 'usual' activity. I accept that the last payment does represent a larger payment than Mr K usually made but not sufficiently so, in my opinion, to have necessitated an intervention from Metro. Especially as the payment was going to a legitimate financial firm to an account in Mr K's own name and that he had previously confirmed that he had authorised payments made to that account.

I note that there were a number of transactions made on the same day in quick succession but given the size of the transactions and again they were confirmed to be authorised at the time, I don't think that this in itself should have prompted an intervention from Metro.

So, having considered the payments Mr K made, I'm not persuaded there was anything that ought reasonably to have triggered Metro's fraud monitoring systems (apart from the payments being checked that they were genuine), or that would have indicated he was in the process of being scammed. I therefore do not consider there to have been any obligation on Metro to have intervened any further.

I note that the investigator commented on whether an intervention would have led to the scam being uncovered or stopped. Based on the information that I have been provided with about the scam it is difficult to say because there is limited information about what actually happened. But given that I don't think that Metro needed to intervene, I don't think that speculating on whether an intervention would have changed matters affects the outcome of this complaint.

I've also thought about whether Metro did enough to attempt to recover the money Mr K lost, as there are some instances where debit card transactions can be refunded through making a chargeback claim.

In this case, a chargeback would not have been successful, as the transactions Mr K used his debit card for was to essentially transfer money from one account held by Mr K to another. So, he could not claim that he did not receive the goods or services paid for from his Metro account. As a result, I don't think Metro have acted unreasonably by failing to pursue a chargeback claim here.

In relation to the transfer, the payment again was between two accounts held in Mr K's own name so the Contingent Reimbursement Model does not apply. I note that Metro was able to recover a small amount of funds from the account with the other provider but given that the account was in Mr K's own name those funds were returned. Mr K should contact that other provider if he is unable to access these funds.

I appreciate this will come as a disappointment to Mr K, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Metro can fairly or reasonably be held liable for his loss in these 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 K to accept or reject my decision before 8 December 2023.

Charlie Newton
Ombudsman