

## **The complaint**

Mr A complains that Metro Bank PLC did not refund the £5,220 he says he lost to a scam.

## **What happened**

Mr A owns a company that finds and rents out property for a specific client. He found a property that matched what the client was looking for, via a sourcing company that had been recommended by a friend. He paid a sourcing fee to the company of £4,176 from a separate third-party bank account. The following day, on 17 March 2023, Mr A paid the deposit of the first month's rent to the landlord/letting agent of the property totalling £5,220. He paid this from his Metro Bank account via a faster payment.

Mr A viewed the property on 22 March 2023 and felt it was not as described and he later found that it did not have the appropriate licence he needed. He says he contacted the letting agent and asked for a refund of the deposit, but eventually they stopped replying. Mr A raised a scam claim with Metro Bank, but they explained this was a civil dispute between himself and the letting agent/landlord and they could not take it further.

Mr A referred the complaint to our service and our Investigator looked into it. They reviewed the payment under the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code and having done so they did not agree it met the definition of a scam. Instead, they agreed that Metro had acted correctly when it treated it as a civil dispute and did not take the claim further.

Mr A disagreed with the outcome and said he had not signed a contract or formally exchanged keys for the property. As the property was not as described he felt his funds had been obtained by deception and he requested a refund.

As an informal agreement could not be reached, the complaint has been passed to me for 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.

This complaint is against Metro, so I am only considering the payment of £5,220 that Mr A made via faster payment from his Metro account to the letting agent/landlord. It isn't in dispute that Mr A authorised the payment of £5,220. Because of this the starting position – in line with the Payment Services Regulations 2017 – is that he's liable for the transaction. But he says that he has been the victim of an authorised push payment (APP) scam.

Metro has signed up to the voluntary CRM Code, which provides additional protection to scam victims. Under the CRM Code, the starting principle is that a firm should reimburse a customer who is the victim of an APP scam (except in limited circumstances). But the CRM Code only applies if the definition of an APP scam, as set out in it, is met. I have set this definition out below:

*...a transfer of funds executed across Faster Payments...where:*

*(i) The Customer intended to transfer funds to another person, but was instead deceived into transferring the funds to a different person; or*

*(ii) The Customer transferred funds to another person for what they believed were legitimate purposes but which were in fact fraudulent.*

The CRM Code is also explicit that it doesn't apply to private civil disputes. The wording in the code is as follows:

*"This Code does not apply to:*

*b) private civil disputes, such as where a Customer has paid a legitimate supplier for goods, services, or digital content but has not received them, they are defective in some way, or the Customer is otherwise dissatisfied with the supplier."*

I've therefore considered whether the payment Mr A made falls under the scope of an APP scam as set out above. Having done so, I don't agree that it does. I'll explain why in more detail.

Mr A has said he feels he was deceived into making the payment as the property was not as described, so thinks this was a scam. However, he has not provided any evidence showing how the property was described and therefore what he was expecting to find when he viewed the property. It is therefore difficult for me to agree that the property had been misrepresented to him when he paid the deposit of £5,220. I am also mindful that Mr A was given access to the apartment, albeit after he paid the deposit, however this does not suggest the provider intended to defraud him from the outset.

Mr A made the deposit payment to a letting agent I'll call 'S'. Having reviewed the company in more detail, they are on Companies House and have been since 2022. I've also reviewed evidence received from S's bank account provider. Due to data protection issues, I cannot go into detail about what I have seen, but having reviewed this, I am satisfied S was a legitimate company and accepted the payment from Mr S for an activity related to their business.

With this in mind, I am satisfied the transaction Mr A made fits the description of a civil dispute as set out in the CRM Code. He has paid a legitimate company, in this case S, however he feels the goods or service he has bought, in this case the property, is defective or he is otherwise dissatisfied with S. I therefore think Metro Bank acted fairly when they treated the case as a civil dispute, and I don't think they need to consider it further in the circumstances.

### **My final decision**

I do not uphold Mr A's complaint against Metro Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 31 July 2024.

Rebecca Norris  
**Ombudsman**