

The complaint

Mr O complains that Metro Bank PLC won't return funds that he sent to someone in error.

What happened

In April 2024, Mr O sent £999.00 to the wrong payee by mistake. He reported the incident to Metro in one of their branches the following day, and they raised a payment recall for him. Mr O says he also contacted the recipient directly, however, wasn't able to get the money back.

Mr O visited the Metro branch again a few weeks later to ask about the recall but was told that the receiving bank had been unable to locate the funds as they had been removed from the recipient's account.

Mr O complained. He believes that as a loyal customer of Metro, he shouldn't bear the burden of the error and that they should, as his financial services provider, refund the £999.00 as they have a responsibility to ensure the security and proper handling of his transactions.

Metro explained that while they had tried to recall the money paid, it hadn't been successful as the money had been taken out of the recipient's account. They said that while Mr O felt they should reimburse him with the money, they had acted in line with FCA guidelines in making a reasonable effort to get the money back. They said they wouldn't be held liable if the recall was unsuccessful unless a bank error had occurred.

Mr O brought his complaint to our service. Our investigator looked into everything but was of the opinion that Metro had done all they could in trying to recall the payment. She explained that while she fully empathised with Mr O, she couldn't see that Metro had made a mistake or acted unfairly, but that they had followed the correct process in trying to get the money back. Because of this, she wasn't able to ask Metro to reimburse Mr O.

Mr O disagreed and asked for his complaint to be reviewed by an ombudsman and so it's been passed to me for review.

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.

After considering everything, I agree with the outcome reached by the investigator. I know this isn't the outcome Mr O hoped for, and I really empathise with what's happened, so I will explain why I have come to the decision I have.

I can see that when Mr O made the payment, he did so online. This means he would have been able to check the details before authorising and sending the money. After the payment was sent, Mr O contacted Metro to let them know, and they initiated the recall process straight away.

The Credit Payment Recovery scheme says a beneficiary bank has 21 working days to respond to a payment recall, which cannot be guaranteed. A recall is made with best endeavours only.

The beneficiary bank notified Metro within 21 days, that due to insufficient funds in the recipient's account, they were unable to recall the payment. Following this, there wasn't anything else that Metro were able to do.

Having reviewed everything, I can't see that Metro have made any errors here. They tried to recall the funds quickly, however the money had already been removed from the receiving account.

Because of this, I can't find that Metro Bank are in the wrong, and I therefore won't be asking them to reimburse Mr O with the money he has lost.

I know Mr O has already tried to contact the recipient of the money with no luck, and while I cannot give advice, he may wish to seek legal advice on what steps he can take next.

I know this isn't the answer Mr O wanted and I do empathise with the situation as it is so unfortunate, but I hope he feels assured that someone impartial has reviewed his complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 25 October 2024.

Danielle Padden
Ombudsman