

The complaint

Mr T complains that Metro Bank PLC discriminated against him because of his nationality when he applied to open an account.

What happened

Mr T has dual nationality. He applied to open an account with Metro online in February 2023.

Following this, Metro wrote to Mr T and told him it needed further information from him regarding his application. Mr T then visited a branch to find out about the status of his application. When he did so Metro told him that there are certain banking restrictions on consumers with certain nationalities, even if they are also British citizens. So, it needed to complete an enhanced due diligence (EDD) exercise regarding Mr T's account application.

Mr T was upset to be given this information and says he felt discriminated against because of his nationality. However, he provided the information Metro requested, which included information about how he intended to use the account, his dual nationality, his salary and the countries he had lived in over the years. Mr T also pointed out that he was a British citizen and not subject to any sanctions which were in place at the time relating to the other country of which Mr T is a national.

Metro told Mr T that it could take up to eight weeks for it to process Mr T's account application. Unhappy with this Mr T complained. In response, Metro said that in line with its terms and conditions applicable to Mr T's application it will make various checks following any account application, and that to satisfy its legal and regulatory obligations some applications require further consideration which may take longer, this includes sanctions imposed by the UK Government. And it confirmed that it had told Mr T because of this his application may take up to 8 weeks to process.

Metro said it appreciated Mr T's frustration and annoyance but explained that it asked for the information as part of its EDD process which helps the bank better understand the links between its customers and any sanctions which would hopefully lead to accounts not being restricted once accounts are opened. So, it said it hadn't done anything wrong and hadn't discriminated against Mr T.

Unhappy with this response, Mr T brought his complaint to our service. He said he wants Metro to end its sanctions policy, open an account for him and pay compensation for the emotional distress the matter has caused him.

One of our investigator's looked into what had happened. She didn't think Metro had done anything wrong in the way Metro had dealt with Mr T's application to open a new account and its subsequent request for more information. She didn't think it was unfair or unreasonable for Metro to carry out risk based checks to ensure its compliance with the current UK sanctions and its legal and regulatory obligations. So, she didn't uphold the complaint.

Mr T wasn't happy that the investigator hadn't accepted he'd been discriminated against. He said he was happy to provide any information Metro wanted and pointed out that he is not subject to any sanctions. He wants Metro to abolish its sanctions policy and be able to open an account.

As no agreement could be reached the matter has come to me to decide.

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.

I appreciate Mr T was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what she said about his complaint. I'd like to reassure Mr T that I've considered the whole file and what he's said. But I'll concentrate my comments on what I think is relevant. So, I won't be addressing every point in detail which Mr T has raised in his submissions. My findings will focus on what I consider to be the central issues. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair outcome.

I can understand why Mr T feels upset about Metro's request for more information so I know he will be very disappointed when I explain that I don't find Metro has one anything wrong when Mr T applied to open an account with them.

As the investigator has already explained, Metro has a wide variety of regulatory obligations it must follow when providing accounts to customers. These obligations are ongoing and are not only relevant to when an account is opened. In Mr T's case, Metro reviewed his application account in line with its sanctions policy – this was prompted when Mr T explained that he has dual nationality. And this meant Metro needed to carry out further checks. Those checks are part of Metro's internal procedures and also part of banking regulations. Whilst I appreciate Mr T's comments that he'd like these abolished, we can't interfere with that procedure, because we don't regulate banks and we can't make them change their procedures. That's the role of the Financial Conduct Authority (FCA).

Mr T says that he is a victim of discrimination. And Metro discriminated against him because he has dual nationality of a country currently heavily sanctioned. Whilst I can appreciate this is his perspective, it is not my role to decide whether discrimination has taken place. I cannot make a finding that the Equality Act has been breached or that Metro's actions constitute race discrimination – only the courts have the power to decide this. However, when looking at the circumstances of Mr T's complaint, I have taken the law, best practice and industry guidance into account, so I can make a finding on whether I think Mr T has been treated fairly and reasonably.

Sanctions can be broad and relate to countries, individuals, trade and transactions. Metro is expected to take measures to comply with current sanctions, which means it has extensive things it needs to be aware of and monitor. Sanctions policies are also just one of the many things Metro must consider to ensure it's doing what it should. And if it didn't review account applications, it could risk serious penalties. So, having a sanctions policy to mitigate against potential risks isn't itself wrong.

Mr T's country of nationality was at the time of his account application the subject of international sanctions and restrictions. As a result of these, the FCA issued a statement providing guidance to businesses. In particular, the FCA said they *"expect firms to have established systems and controls to counter the risk that they might be used to further*

financial crime and this includes compliance with financial sanctions obligations". I also appreciate that Metro is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Metro should have in place.

While I appreciate how Metro made Mr T feel and his perspective on why Metro took the actions it has. Ultimately the driver behind Metro's policy is to ensure they comply with their legal and regulatory obligations. And how sanctions impact the bank's appetite.

So, in summary, having looked at all the evidence and circumstances of this complaint, I don't think that Metro did anything wrong by wanting to obtain further information from Mr T and it follows that I don't think Metro treated him unfairly when he applied to open a new account with the bank.

I note that Mr T has indicated that he may wish to pursue the matter through other means, I can't advise him on how to go about doing that, but my decision brings to an end what we – as an informal dispute resolution service can do for Mr T.

My final decision

For the reasons I've explained, 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 T to accept or reject my decision before 5 April 2024.

Sharon Kerrison
Ombudsman