

The complaint

Mr A complains Metro Bank PLC (“Metro”) blocked and closed his account because of the country he had visited. Mr A says Metro’s actions caused him significant distress and inconvenience.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In January 2024, Metro blocked Mr A’s account and spoke to him about the activity on it after he’d returned from visiting family abroad. Less than a week later, after Metro had spoken to Mr A about some of his account activity, he was informed the account would be closed.

Mr A says Metro took the actions it did as he had visited a country which is internationally sanctioned – and Metro must have checked his location via his banking app even though he didn’t use or access it whilst abroad.

Mr A managed to open a new account the next day with another provider. But when he asked Metro to transfer his funds to this new account, it insisted on him providing bank statements. Mr A says this wasn’t possible given how new the account was and so Metro had caused delay and been unreasonable.

Mr A also says he spent around 18 days making many calls, responding to emails, visiting the branch, opening a new current account, and dealing with creditors to whom he paid direct debits to and rearranging payment with them. Mr A says this caused him significant inconvenience, worry, and distress.

Mr A is also unhappy Metro hasn’t provided satisfactory reason for why it blocked and closed his account in the way it did. At the end of January 2024, Metro transferred Mr A’s funds to his new account.

Unhappy with Metro, Mr A complained. Metro didn’t uphold Mr A’s complaint. In short, the key points it made were:

- The account was restricted in line with the terms and conditions of the account
- After considering all the facts, evidence, and information available, Metro decided not to offer its services to Mr A anymore
- The decision to close the account was made in line with the terms of the account

Mr A referred his complaint to this service. One of our Investigator’s looked into his complaint, and they recommended it be upheld in part. Some of the key findings they made were:

- Metro was entitled to access location services on Mr A's phone given what the terms and conditions say about this
- Metro can make a commercial decision to no longer have someone as a customer, and it doesn't need to explain why
- Metro hasn't shown it met the criteria to close Mr A's account without notice. It should have provided Mr A with two months' notice which would've alleviated the distress and inconvenience caused – particularly as he needed to open a new account with another provider
- Mr A took written confirmation of his new account to Metro, but this wasn't accepted by it. Metro wanted to see a bank statement but haven't sufficiently explained why. This prevented Mr A from receiving his funds by six days
- Metro should pay Mr A 8% simple interest on his account balance from 24 January 2024 until 30 January 2024. And it should pay him £300 for the distress and inconvenience it caused

Metro agreed with our Investigator's recommendations of compensation. Mr A didn't agree with the amount of compensation recommended. He emphasised that:

- This was his sole UK account, and he had no access to cash other than relying on his partner
- Metro has a duty of care as its entrusted by its customers to look after their money and £300 compensation isn't sufficient to deter it from treating other customers in the same way

As there's no agreement, this complaint has been passed to me to decide.

What I've decided – and why

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I do stress however that I've considered everything Mr A and Metro have said before reaching my decision.

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 decided to uphold this complaint in part. I'll explain why.

Banks in the UK, like Metro, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Metro's terms and conditions of account say if a customer downloads its mobile banking

app, it may access their information which could include the location data. Mr A is aware that following his visit to an internationally, and UK, sanctioned country Metro restricted his account and carried out a review.

Having carefully considered the information and explanation Metro has provided me with, I'm satisfied it reviewed and restricted the account in line with its obligations.

Metro is entitled to close an account just as a customer may close an account with it. But before Metro closes an account, it must do so in a way, which complies with the terms and conditions of the account.

The terms and conditions of the account, which Metro and Mr A had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Metro has explained and provided me with supporting evidence including the account review call it held with Mr A. Having carefully considered this, I'm persuaded Metro has acted fairly and reasonably in deciding to close Mr A's account. But I don't think it should have done so with immediate effect particularly as restrictions applied until closure.

I say that because though I'm satisfied Metro exercised legitimate commercial discretion in closing the account the concerns weren't such that an immediate closure without any access to the funds was justified.

I know Mr A would like a detailed explanation, but Metro is under no obligation to do so. I would however add that if Metro fail to meet UK and international sanctions it could face serious repercussions. So I'm satisfied by taking the approach it did, Metro acted reasonably and proportionately in the circumstances.

So had Metro given Mr A two months' notice with access to his account he would've been able to use the account switching service and avoided the distress and inconvenience he was faced with by having to move his regular payments and account services so urgently. Mr A says not being able to potentially pay his mortgage caused him substantive distress – but I note he was sent his money by Metro when this payment was due.

So any distress this and the other issues Mr A says he faced with payments need to be taken into mitigation against this. I also note he was able to access money from his partner and did meet all his payment obligations.

Our approach to making awards for any distress and inconvenience caused by a businesses error is available on our website. Having carefully weighed up what Mr A has said, and taken any mitigating factors into account, I'm persuaded £300 is fair compensation for the distress Mr A suffered for around 18 days when he didn't have access to his account or funds.

In reaching this amount I've also considered that Metro created an avoidable obstacle when asking him for a bank statement when it knew he had just opened the account because of its actions.

To be clear, Metro didn't do anything wrong when restricting the account as part of its review – but this should've been lifted when it reached its outcome and said it was closing the account. This means Mr A was unfairly deprived of access to his funds longer than he should have. Because of that, I agree Metro should pay 8% simple interest on the account balance from 24 January 2024 until settlement.

Lastly, I note Mr A thinks a compensation award of £300 isn't enough to affect a change in

Metro's business processes.

It's important to explain that it's not the role of this service to supervise, regulate or impose fines on any business. It's also not our role to ask a business to alter its procedures or enforce changes to policies. That's the role of the regulator, The Financial Conduct Authority. My remit here is to decide whether I think Metro acted fairly and reasonably when applying those policies and procedures in the individual circumstances of Mr A's complaint. And that is what I have done here.

Putting things right

To put things right, Metro must:

- Pay Mr A £300 compensation
- Pay 8% simple interest on the account balance from 24 January 2024 up until the funds were released to Mr A*

* If Metro considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr A how much it's taken off. It should also give Mr A a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons above, I have decided to uphold this complaint in part. Metro Bank PLC must now put things right as directed above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 23 October 2024.

Ketan Nagla
Ombudsman