

The complaint

Mr A complains that Metro Bank PLC wrongfully accused him of fraudulent activity and unfairly restricted his account.

What happened

Metro restricted Mr A's account on 8 February 2024, after three credits received in December 2020 were reported as fraudulent.

Mr A responded to say that he had made the payments to his Metro account from an account he held with another business I will refer to as N. Mr A provided a bank statement showing the payments coming from the account with N. He was unhappy at being treated with suspicion after banking with Metro for five years. Mr A said that staff told him it would take up to 15 days to conclude the investigation into the payments. Mr A said that this caused him significant concern.

Mr A said he had to take time off work to resolve the problem and had to go above and beyond to prove that the money was his. Mr A was also unhappy that Metro had not dealt with his complaint.

When Metro first responded to us it said it had no record of Mr A's complaint. But our investigator thought that Metro should have raised a complaint in response to Mr A's email of 8 February 2024.

In Metro's final response, it said it had received a report from N that three payments had been made fraudulently. Metro explained that under the terms of Mr A's account, it could refuse to make a payment in certain circumstances and could carry out investigations as part of its fraud detection process. As Metro didn't think it had made a mistake and as it lifted the restriction within a day, it didn't uphold Mr A's complaint.

Our investigator didn't uphold the complaint. She didn't think Metro acted unreasonably when it restricted Mr A's account after it received notification from N about the payments. Our investigator explained that the evidence showed that N alerted Metro after Mr A raised a scam claim with N.

Our investigator thought that Metro should have raised a complaint after it received Mr A's email of 8 February 2024. But as she thought the impact of failing to raise the complaint was minimal, our investigator didn't ask Metro to take any action.

Mr A is unhappy with the investigation outcome. He wants Metro to compensate him for the impact of his account being frozen for 24 hours. Mr A is unhappy that Metro accused him of fraud when he was just sending money between his own accounts. Mr A thinks Metro could have just messaged him rather than freezing his account. Mr A thinks that another report of fraud he raised with Metro has triggered the restriction in February 2024.

Our investigator gave Mr A until 19 June 2024 to supply any further information but nothing has been received, so the complaint has come 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.

I am sorry to disappoint Mr A but I am not upholding his complaint and will explain why.

Metro must take certain actions in order to meet its legal and regulatory obligations. These can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. In order to comply with these obligations, Metro may need to review activity taking place on accounts and ask customers for information about the source of funds in accounts.

In Mr A's case, Metro received a report from N that three historic payments had been made fraudulently to his Metro account. Under the terms of Mr A's account with Metro, it can restrict access where it has reasonable grounds to suspect unauthorised or fraudulent activity. As Metro had received a fraud report from N, I can't say it was unreasonable to restrict Mr A's account. I also don't think this means that Metro was accusing Mr A of fraud – it simply needed to investigate the report from N so that it could decide whether to remove the restriction.

I understand Mr A was concerned to be told that it could take up to 15 days to investigate, but in reality, it only took Metro a day to conclude its investigation and remove the restriction. I appreciate this was inconvenient for Mr A but I can't say that there was an unreasonable delay on the part of Metro or that the restriction was unfair.

I think it would have been better if Metro had treated Mr A's email of 8 February 2024 as a complaint. But like our investigator, I am not persuaded that this oversight warrants an award of compensation.

If Mr A is unhappy with the report that N made to Metro, I think he would have to take this up with N. Overall, I don't find Metro acted unfairly when it restricted the account based on the information it received from N. I also think that Metro acted quickly to lift the restriction once Mr A responded to its' concerns. So, I don't require it to pay any compensation.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 29 July 2024.

Gemma Bowen
Ombudsman