

## **The complaint**

S Ltd, represented by Mr R, complained about delays when it tried to open a foreign currency account with Metro Bank PLC.

## **What happened**

S Ltd opened a business account with Metro in January 2020. In August 2021, Mr R, for S Ltd, tried several times to contact his relationship manager about opening a foreign currency account. He couldn't get an answer, so on 26 August he rang Metro's customer service team. He asked about charges for foreign currency accounts, and then said he wanted to open one for S Ltd. He explained that his relationship manager hadn't been answering calls, and he'd then had an out of office reply to his email saying she'd be out until 31 August. Mr R said he wanted to proceed before then.

Metro's adviser emailed the branch to ask it to get in touch with Mr R to open a foreign currency account. She told Mr R it could take 24 hours for the branch to check its inbox and investigate, and checked the correct phone number. She said the latest he should receive a call back was on Saturday 28 August.

But Metro didn't return the call.

On 2 September, S Ltd, represented by Mr R, rang to complain. He said that an incoming payment of 87,730.01 Euros had come in that day, which had been converted into Sterling as £73,085.27. Mr R said this meant he'd lost money which he wouldn't have done if Metro had set up the foreign currency account he'd requested. Metro's adviser said the payment had come in to Metro as 87,600.01 Euros, with the difference being charges by the sending bank, and that figure had then been converted to the sterling amount. The adviser passed S Ltd's complaint to the relevant department, and she'd asked the branch to contact him as soon as possible about opening the foreign currency account.

In the same call, Mr R went on to authorise an outgoing payment from S Ltd's account, also in Euros. The adviser warned him that charges wouldn't be waived because S Ltd still didn't have a foreign currency account.

On 3 September, the branch emailed Mr R with the necessary forms to open a foreign currency account. On 7 September, Metro paid S Ltd £25 compensation for the lack of a call back after Mr R's 26 August call.

S Ltd, represented by Mr R, wasn't satisfied and complained to this service. During this time, Mr R completed and returned the currency account application forms and Metro opened an account for S Ltd on 30 October.

Our investigator said that the compensation should be increased from £25 to £150. She said that Metro have since said that Mr R could have gone into any branch in the days after he rang up on 26 August – but there was no evidence that Metro had ever told Mr R that this was an option. She also pointed out that Metro Bank had said it would have taken the

relationship manager 48 hours to open the currency account. And as the incoming payment arrived on 2 September, there would have been enough time for the account to have been opened if it had been actioned when S Ltd contacted Metro on 26 August. So the investigator thought Metro should also pay S Ltd the £2,188 loss which it had incurred as a result of the credit going into a Sterling account rather than a Euro account.

Metro didn't agree. It agreed that there had been a broken promise about getting back to the customer, and said that it agreed to pay a total of £150 compensation. But it said S Ltd had never made it aware why it was important to open a foreign currency account, or that there was a cost implication if Metro didn't open it by a certain date. It said there had been no sense of urgency in the 26 August phone call. Metro also said that Mr S hadn't chased until after he'd received the payment and suffered the loss. It said that he'd have known by 27 August that he hadn't had the promised call back, and should have raised it before the payment came in. Metro also said that S Ltd did open a foreign currency account on 31 October 2021, and there had been further incoming Euro payments between 2 September and 30 October. Metro said this proved that having a Euro account wasn't time critical.

### **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.

#### *More information*

I requested more information both from Metro and from S Ltd.

I asked S Ltd when it returned the foreign currency account application forms which Metro sent for completion on 3 September. Mr R replied that he hadn't submitted them until 18 October, because he'd been considering changing banks. Mr R added that he'd had to complain several times about his relationship manager, but he'd now changed his Metro branch and his current relationship manager was much better and more reachable.

I asked Metro to explain how it had calculated the £2,188 financial loss which Mr R told us Metro had said was the amount lost in the currency exchange. I also asked when it received the completed application which it had opened on 30 October. I also asked for its usual service level agreement for opening a new account, or, if it didn't have one, the process including how long it usually takes, subject to checks.

Metro replied that after receiving the signed form on 18 October, there had been discussions about a new mandate, and when Mr R had signed and returned this on 21 October, the application had been passed to the local branch for opening. Metro said that normally it would be opened within 24 hours but since March 2020 it no longer provided service level agreement times because of Covid disruption. It said the account had been opened on 30 October.

But Metro didn't provide clear information about the £2,188 financial loss. It sent transaction information, but didn't show how it had arrived at the loss figure. So I've assumed that the £2,188 figure which Mr R supplied is the correct figure.

#### *Timescales for opening the account*

It's clear from the call recording from 26 August that Mr R had tried asking his relationship manager about opening a foreign currency account. He hadn't had an answer, and that she then had an Out of Office message until 31 August. He specifically said that he wanted to

open the account before that. Metro has argued that Mr R never made it aware why it was important to open a new account, nor that there was a cost implication should Metro fail to open it by a certain date.

I accept that Mr R didn't say in the call recording that there would be a cost implication should Metro fail to open it by a certain date. But he did say he wanted to open it before 31 August. This was the reason he was ringing up, rather than waiting for his relationship manager to return. And this was a business account, not a personal account, so it was always likely to have financial implications more than just personal inconvenience.

I also note that Metro has since said that Mr R could have gone to any branch to open a foreign currency account. But I've seen no evidence that he was ever told this.

Monday 30 August 2021 was a bank holiday. If the branch had phoned Mr R back on Saturday 28 August, and Metro's normal timescales of 48 hours had been applied, the account would have been opened by Wednesday 1 September, which would have been in time for the incoming Euro payment on 2 September. It would have been a tight timescale, but I consider that if the branch had got in touch with Mr R about the account on 28 August, it's likely that he'd have explained that he was about to receive an incoming Euro payment, so it was urgent. And I've also borne in mind that if the relationship manager had answered Mr R's calls, or if her phone and email had redirected people to another employee, the account would have been opened considerably earlier than 1 September. So I consider Metro is liable for S Ltd's financial loss which resulted from having to exchange the funds into a sterling account rather than arriving into a Euro account where no exchange would have been needed.

Metro has said that between 2 September, and the eventual opening of the account on 30 October, S Ltd received further Euro incoming payments. Metro argues that this means the opening of a Euro account wasn't time sensitive. I don't agree with this argument. Metro has made a very general point here which ignores that fact that, for some customers in certain circumstances, it might be urgent for them. It seems to me that the fact that S Ltd had multiple incoming Euro payments means it was urgent to have a Euro account – not that it wasn't. And in any event, Mr R has explained why it was urgent in the circumstances here and I'm persuaded that it was for S Ltd.

However, I don't intend to award any financial loss for Euro transactions between the one on 2 September and 30 October. That's because – for entirely understandable reasons – Mr R was considering whether or not to change to another bank, so he didn't return the application forms until 18 October. That was ultimately Mr R's choice here and, while I may understand this – I don't think it'd be fair for Metro to be held liable for any losses Mr R says he incurred as a result of this.

I've also considered the inconvenience which S Ltd suffered as a result of the difficulties in getting a reply from the relationship manager, and subsequent failure of the branch to return the phone call after the adviser emailed the branch on 26 August. I consider that £150, which Metro has already agreed, is fair and reasonable in all the circumstances of this complaint.

## **My final decision**

My final decision is that I uphold this complaint and I order Metro Bank PLC to pay S Ltd:

- £2,188 representing the financial loss S Ltd suffered as a result of not having a foreign currency account when it received an incoming payment on 2 September 2021; and
- £150 compensation for inconvenience. I understand Metro has paid S Ltd £25, leaving an additional £125 to pay.

Under the rules of the Financial Ombudsman Service, I'm required to ask J to accept or reject my decision before 10 May 2022.

Belinda Knight  
**Ombudsman**