

The complaint

Mr and Mrs O complain about Metro Bank PLC's actions when reviewing and subsequently closing their account.

What happened

Mr and Mrs O opened an account with Metro in September 2020. Metro carried out a review on the account and in January 2021, decided to end their banking relationship with Mr and Mrs O.

Mr and Mrs O are unhappy about:

- Metro asking the Police to attend their home while they were isolating during the Covid-19 pandemic.
- Metro not giving them notice of their account closing or any reason why.
- Having to wait over a month for access to their money once the account was closed.

Metro responded to Mr and Mrs O's complaint. They confirmed they closed the account under section 11.2 of the account's terms and conditions and wrote to Mr and Mrs O in January 2021 to advise them of their decision. Metro admitted they had caused delays with releasing the balance of the account to Mr and Mrs O. They confirmed Mrs O attended a branch on 31 March 2021 and asked for a cheque to be given with the balance but due to an internal error the cheque wasn't raised until around 21 April 2021 and Mr and Mrs O didn't receive it until around 5 May 2021. Metro offered £150 in recognition of the distress and inconvenience caused.

Mr and Mrs O brought their complaint to our service. In the meantime, Metro made our service aware of an increase to their offer of compensation – a further £100 to bring the total compensation figure to £250.

Our investigator reviewed things. In summary he thought:

- There was no evidence that Metro had asked the Police to attend Mr and Mrs O's home.
- Metro had sent notice to close letters to both Mr and Mrs O on 25 January 2021. Our investigator also explained that Metro aren't obliged to give a reason for the account closure.
- There was a delay in sending the cheque to Mr and Mrs O – so in addition to the compensation already offered, Metro should pay 8% simple interest to the balance to recognise the loss of use of the funds.

Metro didn't agree. They said Mr and Mrs O's account was a non-bearing interest account so didn't feel they should pay interest on the amount they held. They confirmed Mr and Mrs O could have withdrawn the amount at any time.

As an agreement couldn't be reached, the complaint has been passed to me to 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.

Having done so, I agree this complaint should be upheld. I think Metro should pay interest on the balance they withheld from Mr and Mrs O due to the issues in sending the cheque. I've explained why below.

The Police visit

I'm aware Mr and Mrs O are unhappy about the Police visiting their home while they were isolating. They also believe Metro breached their privacy as they think they informed the Police to instruct the visit. Based on the evidence I've received; I've seen nothing to suggest Metro did ask the Police to visit Mr and Mrs O's home. While I recognise the close proximity of the two events, I can't fairly conclude Metro had any involvement based on the evidence I have.

The closure and reasons

Metro, like all UK banks, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They're also required to carry out ongoing monitoring of relationships they hold with their customers. Metro decided to end their relationship with Mr and Mrs O in January 2021, and I'm satisfied they sent letters to both Mr and Mrs O to inform them of their intention. I appreciate Mr and Mrs O say they didn't receive these letters, but I'm satisfied they were sent, so I can't fairly uphold the complaint on this point.

Banks sometimes choose to end their relationship, and this can be for a number of reasons. I appreciate Metro hasn't told Mr and Mrs O why they made this decision – but they're not obliged to give a reason. Metro can only close accounts in certain circumstances and if it's in the terms and conditions of the account. Metro helpfully referred Mr and Mrs O to the specific term (11.2) they'd relied on when closing the account. Having reviewed everything, I don't think Metro made an unfair decision – and I'm satisfied they complied with the terms of the account – so I won't be asking them to do anything differently.

The delay in receiving the balance of the account

On 31 March 2021, Mrs O attended a Metro branch and asked for the money which was left in the account to be sent to her and Mr O by cheque. Metro agreed with this. Metro have confirmed, due to an error, the cheque wasn't raised until around 21 April 2021 and Mr and Mrs O say they received it around 5 May 2021.

Putting things right

As Metro have admitted the delay was caused by an error, I consider they should recognise the time Mr and Mrs O was without their money and pay 8% simple interest to recognise this loss. I appreciate Metro say this wasn't an interest-bearing account, but I don't think that's entirely relevant. I say that because by Mr and Mrs O not being able to use this money for around five weeks or so, they were deprived of their funds. Our service uses the 8% simple interest amount as this also reflects the current statutory interest rate on judgment debts and therefore, I consider it to be the fairest in the circumstances.

Metro should pay this amount from the date Mrs O asked for the money to be released – 31 March 2021 – up to the date they sent the cheque.

I'm also aware that Metro have offered a total of £250 compensation. I believe this offer is fair and won't ask Metro to increase their offer of settlement for the distress and inconvenience caused. If they haven't paid this yet to Mr and Mrs O, they should honour the offer.

My final decision

For the reasons I've explained above, I uphold this complaint. To put things right, Metro should pay Mr and Mrs O 8% simple interest on the amount which was held in their account. They should pay this from 31 March 2021 up to the date they sent the cheque.

HM Revenue & Customs require Metro Bank PLC to withhold income tax from the above-mentioned interest. Metro should give Mr and Mrs O a certificate showing how much is taken off if Mr and Mrs O asks for one.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O and Mrs O to accept or reject my decision before 25 April 2022.

Hayley West
Ombudsman