

The complaint

Mr F complains that Metro Bank PLC (Metro) blocked his accounts and denied him access to the funds in the accounts.

What happened

In October 2019 Metro blocked Mr F's accounts, while it carried out a review. In January 2020, it requested information from Mr F to help complete its checks. Metro completed the review, and on 18 March 2020 gave Mr F 60 days' notice of its intention to close his accounts. The funds in Mr F's accounts were used to settle the outstanding balance on his Metro credit card and, after several attempts, Mr F was eventually able to make a final payment to clear the card balance in full.

While Metro's review was ongoing, Mr F complained. He wasn't happy that Metro had blocked his accounts without telling him why, and he wanted the block to be lifted. Metro issued its final response to Mr F's complaint on 31 January 2020. It said it had blocked the accounts in line with its terms of business and said it would contact him when it had further information for him.

When Mr F brought his complaint to our service, our investigator upheld it in part. She said Metro was entitled to block and close the accounts, and didn't have to explain the reasons for its actions. But she felt Metro had taken longer than it should have done to complete its review. And had caused Mr F frustration and inconvenience during the review, and when he tried to settle the outstanding debt. She set out details of the distress and inconvenience Metro had caused Mr F and said it should pay him £400 in recognition.

Metro accepted our investigator's findings, but Mr F didn't. He asked for an Ombudsman to review the matter afresh.

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.

Account block

The banking industry is heavily regulated and all banks in the UK have various legal and regulatory obligations, with which they must comply. As part of those obligations, sometimes banks have to review their customers' accounts and request certain information or documents. While the review is ongoing, they're entitled to block the accounts and deny access to any account funds.

Having looked at all of the evidence, I'm satisfied Metro was entitled to take the actions it did. Metro has explained that it was acting in accordance with the terms and conditions of Mr F's accounts and, having reviewed the same, I'm satisfied that it was and that it was complying with its legal and regulatory obligations in doing so.

I understand Mr F wants to know why Metro blocked his accounts and why the review lasted so long. However, Metro isn't obliged to disclose the reasons for the block and ongoing review, so I can't say it did anything wrong by not telling Mr F when he asked Metro why his accounts had been blocked.

Delays

With that being said, I do think Metro took longer than it should have done to complete its review. Mr F says Metro didn't request information from him until January 2020, and I've seen no reason why it couldn't have requested that information when it first blocked the accounts. Indeed, Metro has accepted it should have completed the review more quickly than it did. While the outcome of Metro's investigation wouldn't have changed, Mr F would have regained access to his funds more quickly than he ultimately did.

Further, Mr F has provided evidence that suggests his credit report was damaged while the block was in place. The evidence Mr F has submitted details 5 arrears payments were registered in the name of Metro. And it shows a credit limit on a separate account was reduced from £10,500 (although Mr F says around £7,000) in April 2020 to 800 in May 2020. While there are many reasons why a credit file might be affected, I'm satisfied that Mr F's credit file was adversely impacted by the missed payments Metro registered on his account.

So, I've thought about what Metro should do to put things right for Mr F. I've seen that it refunded the interest payments Mr F accrued due to its block, and it appears that Metro has since removed the adverse payment from Mr F's file. That leaves any financial loss Mr F suffered as a result, and any distress and inconvenience he experienced.

Mr F rejected our investigator's suggestion that Metro should pay £400 in compensation. But, having looked at everything Mr F has said, I'm not persuaded he incurred any losses or distress and inconvenience that would justify a payment higher than £400.

I recognise he had to contact Metro on a number of occasions, and that Metro didn't make matters clear for him, and that he had to make several attempts to clear his credit card balance. And I accept Mr F would have suffered trouble and upset as a result of his credit limit reducing and his credit report being affected.

However, I haven't seen any evidence that demonstrates Mr F suffered financial losses as a result of those issues. Mr F has said he had to borrow £15,000 from a family member, but that appears to relate to an account in the name of his limited company, which I will address in a separate decision. And in any event, his total personal account balance was £488.73. So, I can't reasonably say Metro's delay denied him access to funds above that amount.

I do recognise the level of chasing and frustration Mr F experienced, and I don't underestimate his strength of feeling about this matter. But I'm satisfied £400 is fair compensation for the issues Mr F experienced relating to the delays, settlement of his credit card account and the impact on his credit file.

My final decision

My final decision is that Metro Bank PLC must remove the markers applied to Mr F's credit file in error (if it hasn't already done so), and pay Mr F £400.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 27 July 2022.

Alex Brooke-Smith
Ombudsman