

## **The complaint**

Ms H complains that Metro Bank PLC (Metro) blocked her account without giving her advance notice, then closed it without telling her why. She thinks Metro's actions were motivated by discrimination on the grounds of her nationality.

## **What happened**

On 10 May 2019, Metro blocked Ms H's account while it carried out a review. It didn't give Ms H notice of the block and it didn't tell her why it had done so. When Metro completed its review, it decided to close Ms H's account. Metro wrote to Ms H on 12 July 2019 and gave her 60 days' notice to make alternative banking arrangements.

Ms H complained to Metro about the block and closure of her account. She said she needed to spend money on food and other living expenses, but that Metro wouldn't help her. Metro issued its final response to Ms H's complaint on 26 September 2019. It apologised for any inconvenience Ms H had experienced and explained it had closed her account in accordance with its terms of business. But said it couldn't tell her anything more.

Ms H wasn't happy with Metro's response, so she brought her complaint to our service. She said the block had stopped her direct debits for things like Council Tax and her mobile phone going through and that she felt it had decided to block and close her account because of her nationality.

Our investigator upheld Ms H's complaint in part. She said Metro hadn't acted incorrectly when it blocked Ms H's account, and that it had closed the account in accordance with the terms and conditions, which it was entitled to do. She thought about Ms H's allegation of racism, but didn't agree and thought Metro had acted fairly and reasonably in the circumstances of the case. And said Metro had acted in compliance with its legal and regulatory obligations.

But she thought Metro should have completed its review and released the block sooner. She said Metro should pay Ms H £250 in compensation to recognise the distress and inconvenience Ms H experienced during the 6 weeks Metro delayed in completing its review.

Metro accepted our investigator's recommendations, but Ms H didn't. She said Metro should have given her advance warning of the block and that she wanted £50,000 in compensation. She 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.

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### *Account block*

Firstly, as the investigator has already explained, Metro has extensive legal and regulatory obligations it must meet when providing account services to customers. And to fulfil those obligations it is sometimes necessary to review activity taking place on accounts and ask customers for information, for example about payments. Like all banks, Metro is entitled and in fact obliged to carry out such checks. And the terms of Ms H's account permit Metro to review her account and ask her information to help with its enquiries.

Having looked at all the evidence, I don't believe it was unreasonable in the circumstances for Metro to block Ms H's accounts. Metro has explained that this was its standard procedure and, having reviewed the evidence it has provided, I accept that it was. I'm satisfied that in doing so Metro was complying with its legal and regulatory obligations. And, while I accept, Metro's actions caused Ms H inconvenience, I can't say its actions were unfair.

I understand why Ms H wanted to know Metro's intentions in advance. But Metro isn't obliged to warn its customers and doing so would defeat the object of the regulations with which Metro was complying. So, I don't think Metro treated Ms H unfairly in blocking her account without notice.

#### *Account closure*

Just as a customer may close an account with a bank, a bank is entitled to close an account with a customer. But when it closes the account, it must do so in a way which complies with the terms and conditions of the account. So, I've looked at the steps Metro took to see if it acted fairly.

The terms of Ms H's account, with which both Metro and Ms H had to comply, say that Metro can close Ms H's accounts as long as it gives at least 60 days' notice. And I can see Metro gave Ms H 60 days' notice in its letter dated 12 July 2019, so it complied with its contractual obligations.

Further, there's no obligation, whether contractual or otherwise, for Metro to disclose the reasons behind its decision to close (or block for that matter) Ms H's account. That being the case, I see no basis upon which I can reasonably make an award in Ms H's favour.

I acknowledge that Ms H has said that the bank is discriminating against her on the grounds of her nationality. And she believes that this is the rationale for the account closure. Whilst I recognise the strength of her feelings, I've not seen any evidence to show any discrimination on the part of Metro. And I'm satisfied it followed the correct process, for justifiable reasons, when it took the actions it did.

However, while Metro is entitled to carry out a review, we'd expect it to do so in a timely manner and without undue delay. Metro initially blocked Ms H's account on 10 May 2019. I can see that Metro asked Ms H to provide it with information and Ms H did so promptly. However, Ms H's account remained blocked until 12 July 2020 when Metro issued its notice to close Ms H's account.

Metro has accepted that it should have completed its review sooner and, having looked at all of the information Metro has sent our service, I agree with our investigator's findings that it should have completed the review by the end of May.

Metro has agreed to pay Ms H £250 compensation for the distress and inconvenience caused by the delay. But Ms H says Metro ruined her life and has asked for £50,000. I've considered what Ms H has said about how Metro's actions impacted her. I've no doubt this

was a worrying and upsetting time for Ms H but I can't reasonably tell Metro to pay such a high sum in compensation.

There isn't a set formula we use to calculate awards for particular mistakes or poor service. And it's my role to consider what impact Metro's actions had on Ms H and decide, within guidelines set by our service, whether compensation would be appropriate in the circumstances.

Based on the evidence I've seen, I think it's fair to say the delays caused by Metro when it reviewed Ms H's account caused Ms H trouble and upset. And I agree some compensation is appropriate for this. She said had to spend time contacting Metro, that she couldn't pay her bills, and that she couldn't meet her daily living expenses. So, I can understand how inconvenient and upsetting all of this was for Ms H.

However, I'm satisfied that £250 is a fair amount of compensation and proportionate to the trouble and upset Ms H was caused. So, while Ms H may disagree with me, I'm satisfied that the compensation recommended by our investigator recognises the impact Metro's actions had in the overall circumstances of this complaint. So, I won't be directing Metro to pay any more.

In summary, I recognise Metro's delay extended the period of inconvenience for Ms H. But, for the reasons I've set out above, I don't think it treated her unfairly, apart from the delay. And given the relatively short period of the delay, I'm satisfied that £250 compensation is fair and reasonable. So, I won't be telling Metro to do anything further to resolve Ms H's complaint.

### **My final decision**

My final decision is that Metro Bank PLC must pay Ms H £250.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 28 July 2022.

Alex Brooke-Smith  
**Ombudsman**