

## **The complaint**

Mr S is complaining that Metro Bank PLC discriminated against him by not allowing him to open a bank account with them.

## **What happened**

Mr S is an asylum seeker and holds an application registration card (ARC) which was issued to him in February 2021. His card had an expiry date.

Mr S was offered a job shortly after receiving his ARC, and wanted to open a bank account with Metro Bank for his wages to be paid into. He checked Metro Bank's website which said he'd need to show his ARC, plus confirmation of asylum support allowance or other income showing his address (or a letter from HMRC), plus an additional proof of address document.

Mr S visited a branch, where he supplied his ARC, his tenancy agreement and a letter from HMRC. He says the branch told him this would be enough to open an account, but when they spoke to head office, they said they couldn't accept his ARC to open an account.

Mr S visited two other branches. One of the branches told him they couldn't open an account for him – but Mr S says they didn't explain why, apart from saying it was due to Brexit, and he felt the branch staff were laughing at him and discriminating against him.

The third branch Mr S visited told him that to open an account he'd need a GP's letter as an additional proof of address. Mr S obtained a GP's letter, at a cost of £15, but when he returned to the branch with the letter, they told him they couldn't open the account because they couldn't verify his ARC.

On 4 March 2021 Mr S called Metro Bank to complain. He said he couldn't understand why Metro Bank wouldn't open an account for him, when their website said ARCs were accepted. The adviser called the branch to ask what had happened, and then explained to Mr S that the branch had said head office had told them not to accept ARCs. Mr S asked for an email explaining why ARCs couldn't be accepted, but the adviser said Mr S should write to Metro Bank's head office.

Mr S made a number of further calls to Metro Bank over a period of around two weeks, during which he asked repeatedly for information about which branches had experience of opening accounts with an ARC. He asked for details in writing of why his ARC couldn't be accepted.

On 4 March 2021 Metro Bank issued a final response letter, which said Mr S wasn't able to open an account at the third branch due to a recent change in their acceptance of ARCs. They offered him £5 to cover his journey home.

Mr S contacted our service to raise a complaint. He said, in summary, that he thought he was being discriminated against because of his race. He said Metro Bank's website was misleading, and he didn't feel he was treated fairly.

Metro Bank responded to us offering to increase their offer by £15 to cover the cost of the GP's letter. They said the third branch Mr S visited was correct to ask for a GP's letter as proof of address. But it had been unnecessary for Mr S to obtain this, because ARCs issued in 2021, like Mr S's, were no longer being accepted. They said this was because they'd made a business decision to temporarily not accept ARCs issued in 2021, because they weren't compatible with the database they used for their ID scanners.

Mr S says he opened an account with another business around May 2021.

Our investigator looked into Mr S's complaint. He said, in summary, that he didn't think Mr S had been treated fairly – and he didn't think Metro Bank had grasped quite how this experience had made Mr S feel. He thought Metro Bank should pay Mr S £300 for the distress and inconvenience he had suffered.

Metro Bank replied to say they thought £300 was too high. They offered Mr S £150, but Mr S didn't accept their offer. Mr S said he thinks he should receive more compensation, and that Metro Bank should apologise to him.

#### *My provisional decision*

I issued my provisional decision on 18 May 2022. This is what I said.

*I've provisionally decided to uphold Mr S's complaint and to increase the compensation award from the amount the investigator recommended. I'll explain why.*

*Generally, a business can decide their own policies and procedures for opening an account. However, they should take care to make sure these are clear to potential customers. And I don't think Metro Bank have done this here, which has led to Mr S feeling he was being discriminated against.*

*I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but it's for a court to decide if Metro Bank breached the Equality Act. My role is to decide Mr S's complaint based on what's fair and reasonable.*

*I don't have any notes from Metro Bank to show what discussions were had between Mr S and the branches he visited. But Metro Bank don't seem to be disputing Mr S's recollection of the information he was given. And it does seem, from what Mr S has said, that the branch staff were unclear and inconsistent in their reasons for not opening an account for him – and not aware of Metro Bank's policy changes around accepting ARCs.*

*I've looked at what Metro Bank have said about when the decision not to accept ARCs issued in 2021 was made and communicated. They've not been clear about exactly when they decided not to accept these ARCs, but they've said:*

*"I appreciate that when the consumer obtained the GP letter... he had everything necessary to open an account with Metro Bank. Regrettably, in the meantime, Metro Bank made a decision to temporarily not accept ARC cards issued in 2021."*

*This implies the decision not to accept ARCs was made between the third branch asking for a GP's letter as proof of address, and when Mr S returned to the branch. But if this was the case it doesn't explain why the first two branches Mr S visited refused to open an account for him. I think it's more likely this process was in place when Mr S visited the first branch, but because it wasn't clearly explained to him why his ARC wasn't accepted, he tried again in two more branches, and was told to obtain a GP's letter unnecessarily.*

*I think Mr S was broadly given the correct explanation in the third branch he visited after he returned with the GP's letter as proof of address, when the manager explained they couldn't open an account because they couldn't verify ARCs. But by that time Mr S had lost confidence that the reasons he'd been given were true, and was upset that he'd been asked to obtain a GP's letter that wasn't needed. So, he made some further calls to Metro Bank to ask how he could open an account.*

*I've listened to the calls between Mr S and Metro Bank after his visits to the branches. Mr S was initially told that Metro Bank weren't accepting ARCs at all – which wasn't correct, and which Mr S disputed, because Metro Bank's website showed they were accepting ARCs. When he made further calls, the advisers seemed to be under the impression that his ARC should be accepted – and they were unable to explain why the branches hadn't accepted it.*

*They said, variously, that:*

- They do accept ARCs (but without explaining that they weren't currently accepting ARCs issued in 2021);*
- They don't accept ARCs without an expiry date (which Mr S's card did have); and*
- They'd accept Mr S's ARC with proof of address and income (which wasn't correct.)*

*This increased Mr S's upset and confusion about why he couldn't open an account. My overall impression here is that the members of staff Mr S interacted with either weren't aware of the temporary withdrawal of acceptance of ARCs from 2021, or if they were, they didn't fully understand the reasons behind it - and were in some cases attributing it to Brexit without explaining further. I think this has led to Mr S being unable to obtain a clear explanation of why his ARC wasn't accepted.*

*I think if Metro Bank had updated their website to explain that ARCs from 2021 were temporarily not being accepted, the reason that Mr S was unable to open an account would have been clearer to both Mr S and to Metro Bank's own staff.*

*Metro Bank have explained they chose not to update the website because they were still accepting ARCs issued before 2021. But because they didn't update their website, Mr S felt that the decision not to accept his ARC was being made by individual branch staff, and wasn't in line with Metro Bank's published policy. So, I can understand why Mr S felt he was being discriminated against, and why he found this so experience so distressing.*

*I've thought carefully about the impact this has had on Mr S. As an asylum seeker who had only recently been granted the right to work limited hours, Mr S was in a vulnerable situation and was a vulnerable consumer. And I think Metro Bank have failed to recognise or appreciate this in how they've handled their interactions with Mr S. This has caused further financial loss, and resulted in Mr S feeling the reason the staff acted the way they did was due to them discriminating on the grounds of race - as opposed to Metro Bank's staff not being aware of the policy change and communicating this clearly to Mr S. The distress this caused to Mr S is evident in the calls that took place between him and Metro Bank.*

*At this time, Mr S only had around £35 a week for expenses, so the £15 he spent on the unnecessary GP's letter was a large chunk of his weekly income – and he said he could only afford one meal a day as it was. He was in a difficult position as his wages were being paid into a church account while he tried to open an account with Metro Bank – which he said led to him losing three weeks of work as his employer was unhappy with this as an ongoing arrangement.*

*And I think this could have been avoided, because Mr S may have tried to open an account with another bank more quickly if he'd been given the correct reason about why he couldn't open an account with Metro Bank at an earlier point. I think he continued to pursue opening an account with Metro Bank because he wasn't given a clear reason about why he couldn't open an account, and he felt he was being discriminated against.*

*Our investigator asked Metro Bank to pay Mr S £300. But I don't think this is quite enough to recognise the substantial distress this experience caused to him. So I've provisionally decided to increase the compensation award to £500. I think this is fair, reasonable and in line with awards made by us similar circumstances.*

*I also think in this case, it would be appropriate and proportionate for Metro Bank to apologise to Mr S for the distress they caused to him.*

I asked both parties to respond with anything else they wanted to add by 18 June 2022. Mr S responded to say he accepted my provisional decision. Metro Bank didn't respond to my provisional 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 said I'd look at any additional comments Mr S or Metro Bank provided following my provisional decision. But Metro Bank didn't respond to my provisional decision and Mr S accepted it. I've not had any additional information to consider and so I'm not departing from my provisional decision.

### **My final decision**

My final decision is that I uphold Mr S's complaint, for the reasons I've explained.

Metro Bank PLC should pay Mr S £500 and contact him to apologise for how he's been treated.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 July 2022.

Helen Sutcliffe  
**Ombudsman**