

The complaint

Mr M complained because Metro Bank PLC closed his accounts.

What happened

On 30 April 2021, Metro wrote to Mr M. It said that following a review of his accounts, it was unable to continue as his bankers. It said it was therefore writing to give him formal notice that in 60 days' time, on 1 July, his accounts would be closed. The letter told Mr M to make alternative arrangements, and said it wouldn't be offering him any new banking services.

On 2 July, Mr M tried to use his Metro card and it was declined. He went into a branch, where Metro staff told him about the April letter. Mr M said he hadn't received this, and the branch printed off a copy for him. Mr M said this should have been sent by recorded delivery, not normal mail. He was unhappy because the letter didn't give a reason for the closure. He complained.

In Metro's final response, it said that it had had an alert that another bank had uploaded a record about Mr M on an anti-fraud database. It investigated the alert, and decided to stop providing him with banking facilities. Metro said it had written to him on 30 April at his registered address, and having reviewed the decision, it had been the correct decision in line with its policies.

Mr M wasn't satisfied and complained to this service. He said Metro had made no effort to contact him about his concerns, and had judged him to be guilty without offering him the opportunity to prove his innocence. He wanted an apology, and compensation for the trouble and upset he'd suffered when he'd been without any banking facilities between 1 July and 12 August 2021.

He said being without banking facilities for this period had meant:

- he'd had to arrange for his salary to be paid temporarily into his mother's account, causing doubt on his credibility;
- he'd then had to arrange for his mother to pay his direct debits, and to go to the bank at lunchtime to withdraw cash for him;
- as he didn't have a debit card, he'd had to carry large amounts of cash, which made him feel vulnerable, so he'd refused some social invitations;
- his car payment company had said his mother could make one payment on his behalf but no more, so he'd been afraid his car would be possessed, affecting his credit score;
- although his mother had been supportive, he'd felt lonely and isolated;
- he'd lacked motivation at work so the quality of his work had been affected;
- it had caused him a great deal of stress, and had inconvenienced and stressed his mother too.

Our adjudicator didn't uphold Mr M's complaint. She said Metro had acted fairly when it had closed Mr M's account, because of the information which it had seen another bank had recorded against Mr M. It had closed Mr M's accounts in line with the terms and conditions of the accounts. The adjudicator recognised that Mr M hadn't received Metro's letter giving him

notice that it was going to close his account. But she said it had been correctly addressed, and first class post was considered a reliable means of communication, so she wouldn't expect Metro to have sent it by recorded delivery.

Mr M wasn't satisfied and asked for an ombudsman's 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.

First, this decision only relates to Mr M's complaint against Metro. Mr M has also complained about the bank which recorded the marker against him on the anti-fraud database CIFAS. The two complaints, about two different banks, are dealt with separately. This decision relates only to whether or not Metro treated Mr M fairly and reasonably.

CIFAS is a fraud prevention agency, which has a large database on which information is recorded to protect financial businesses and their customers against fraud. Another financial organisation had recorded a marker against Mr M's name. Mr M subsequently contacted CIFAS and obtained information about which organisation had recorded this, and under which CIFAS category: "*Misuse of facility.*"

Banks can close a customer's account if they wish to, and don't have to give a reason – in the same way that customers can choose to close an account and don't have to give a reason. But banks can also close accounts without giving notice in some circumstances. This is set out in the terms and conditions of Mr M's Metro accounts:

" 11.2 If we decide to suspend or stop providing our services

For any of the reasons set out below, we may:

- *suspend, stop or reduce a service, facility or an account we provide*

...

We may take any of this action for the following reasons:

...

If we think that:

- *there has been fraud or other suspicious activity involving your account (or we suspect this is the case)*

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- *you have used, are using or getting, or may use or get a service or money illegally, fraudulently or improperly, or that someone else acting on your behalf may do so*

...

we may close an account, or stop providing a service or facility or end this agreement. We may do this immediately or if we are taking this action because you have broken your obligations under this agreement after the end of any notice that we have to serve you under the Consumer Credit Act 1974, as amended."

I consider that it was reasonable for Metro to rely on the CIFAS database when taking its decision. It didn't have to conduct its own investigation into why the other organisation had recorded the marker, or whether it was correct. And the presence of a CIFAS marker relating to fraud, clearly met Metro's terms and conditions for closing a customer's accounts.

According to those terms and conditions, Metro didn't have to give Mr M notice in such circumstances. I accept that Metro sent the 30 April 2021 giving him 60 days' notice, though I recognise that Mr M said he didn't receive this. But the fact that Mr M didn't receive the letter doesn't make any difference to the outcome. Metro sent it to Mr M's registered

address, and it didn't have to use recorded delivery. Nor in fact did it have to give any notice when fraud was suspected, though it chose to do so.

So Metro was entitled to close Mr M's accounts, and I consider it acted fairly and reasonably in all the circumstances of this case.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 August 2022.

Belinda Knight
Ombudsman