

The complaint

Mrs A complains that Metro Bank PLC has unfairly restricted her account usage.

What happened

Mrs A says Metro has placed unnecessary restrictions on her account. She says she is limited in the amount she can withdraw and says, despite what Metro believes, she is not a victim of fraud or a scam. Mrs A would like access to her account and compensation for what has taken place. She says the restrictions are based on her previous banking provider's comments to Metro about her and her account.

Metro says it's entitled to place restrictions on an account in line with account terms and conditions. It accepts it placed those restrictions on Mrs A's account following information from a third-party business. But it says Mrs A can withdraw up to £500 a week and it will consider authorising a transaction with evidence of the intended recipient.

Mrs A brought her complaint to us and our investigator upheld the complaint. The investigator thought this was Mrs A's account and her money, but that Metro was entitled to restrict account usage in line with account terms and conditions. The investigator thought Metro hadn't acted fairly by not investigating any scam or fraud issues itself and by simply relying on information from a different organisation. The investigator thought the restrictions had no end date and recommended they be removed as well as Mrs A be paid £300 compensation with an apology.

Metro doesn't accept that view and says it has a duty to protect vulnerable customers which the investigator has ignored.

Mrs A doesn't accept that view and says the compensation isn't enough for what has taken place.

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 have come to the overall view that I uphold this complaint.

There is no question here that Metro is entitled in line with agreed account terms and conditions to restrict account usage when it has certain concerns about an account or transaction. I can see that Metro was given information by Mrs A's previous banking provider, but I can't see any evidence that Metro itself has investigated those concerns or spoken in detail with Mrs A about them. And I have not seen any evidence that Metro has carried out its own risk assessment or referred any concerns to a different organisation that would investigate fraud. So, I'm satisfied that the account restrictions are unfair and disproportionate to apply open ended restrictions to Mrs A's account. I don't think Metro has considered an end date to the restrictions and hasn't taken any consideration about Mrs A's health position or reasons why she wanted to withdraw large amounts of cash.

I'm satisfied that Mrs A has made clear that she is not the victim of fraud or subject to a scam and that the money in her Metro account is hers not Metro's. I don't think the restrictions are fair and can't see any justification for them or for further checks Metro says it will carry out on any proposed transactions.

I appreciate Metro says it has a duty of care to protect vulnerable customers. But I can't see what if any evidence it relies on about Mrs A to make such a finding. And if Metro has those concerns then I would have expected it to have met with Mrs A and discussed its concerns as well as listened to Mrs A about her position. No doubt Metro could have explained that if Mrs A does wish to make certain transactions, then she could have no complaints if they were not legitimate in these circumstances.

I have no doubt Mrs A was caused distress and inconvenience in trying to access her money and in trying to find out why the restrictions were applied. I think that the restrictions have been in place for some time and so the impact on Mrs A was relatively significant. For those reasons I agree with the investigator that £300 compensation is fair and reasonable.

Putting things right

Metro should remove the account restrictions and I agree with the investigator that it should pay £300 compensation. I don't require Metro to apologise as the investigator recommended.

My final decision

My final decision is that I uphold this complaint and order Metro Bank PLC to remove the account restrictions on Mrs A's account and pay her £300 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 18 October 2022.

David Singh
Ombudsman