

The complaint

A company, which I'll refer to as G, complains about the handling by Metro Bank PLC of its request to switch banks under the incentivised business banking switch scheme.

Mr D, a director of G, brings the complaint on G's behalf.

What happened

The circumstances of this dispute are familiar to both parties so I will summarise briefly.

In December 2020, Mr D contacted Metro to enquire about switching G's account to Metro under the business banking switch scheme. In March 2021, he chased up his enquiry, and had a telephone conversation to initiate the process. Following this call, Mr D sent Metro the required paperwork.

In April, Mr D sought an update from Metro on his application, to which the bank responded questioning when Mr D had sent in the documentation. Mr D responded immediately to explain, but then didn't hear anything back.

In May, Metro sent Mr D an email saying that it had not received all the requested documentation. It asked for this within the next 48 hours and said that otherwise G would not be eligible to receive the incentive payment. However, the email didn't set out precisely what further information was required. Mr D responded to explain that he had sent in the requested documents and asked what further information was needed. Again, he didn't hear anything back.

In June, Mr D chased Metro twice for an update, but received no response. Finally, Metro responded to say that it had received the account opening form and switching form but required some further information to satisfy its account set-up procedures. This time Metro specified the required information but gave a deadline of 6.00pm that day by which it needed to be provided for G to be eligible for the incentive payment.

Mr D engaged with Metro to provide the requested information, but just after 5.00pm he received an email from Metro saying that the deadline had passed so the incentive was no longer available.

In June and July, Mr D complained to the chief executive of Metro but received no response. However, Metro says it has no record of receiving these letters.

Mr D also complained by email. In July, Metro responded saying that it had done nothing wrong. Metro said that it had requested the further information from Mr D in May, giving sufficient time for it to be provided.

In September, having not seen Metro's response, Mr D complained again. But Metro simply referred to its previous response.

Mr D brought G's complaint to our service.

Our Investigator considered G's complaint and said that Metro ought to have told Mr D what specific information it required to complete the switch much sooner than it did, which would have given Mr D sufficient time to submit it. She also said that, in the final exchange in June, having given the deadline of 6.00pm it was unreasonable for Metro to say that he had missed the deadline before this time had even passed. To put things right, our Investigator said that Metro should pay G the incentive payment it would have received had the switch completed, plus interest on this amount, and £200 compensation for the inconvenience caused to G.

Metro changed its mind in response to this view. In its latest response, it said that it was willing to pay G the proposed compensation for inconvenience but didn't think it should pay the incentive amount unless G did actually move its account to Metro.

As Mr D was unwilling to accept this offer, the matter has been passed to me to decide.

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.

While I have read carefully the full correspondence between Mr D and Metro and considered all the evidence submitted, I have focussed my decision on the matters which I consider central to this complaint. I believe there are two key issues:

- What went wrong in the handling of G's application to switch its bank account to Metro under the business banking switch scheme
- What is the appropriate way to put things right

I consider each in turn.

What went wrong

As summarised above, Mr D sought on many occasions an update from Metro on the status of his application to switch G's bank account to Metro under the business banking switch scheme. Most of those requests went unanswered.

When Metro did get in touch in May to request further information, it didn't specify what precise information was needed. And it then didn't respond to Mr D's requests for clarification sent on the same day, and twice more in June.

Metro has said that Mr D had over two weeks from the email in May to provide the information, but I don't think this is fair as the email wasn't clear what gaps remained in the application and therefore what information Mr D needed to provide.

When Metro did clarify what information was required, it provided an unreasonably short deadline of the same day – and then said that the deadline had been missed even before it had been reached.

In my view, Metro's failure to respond in a timely way to the reasonable questions raised by Mr D, and thereby not providing clarity sufficiently early about the further information required from him, meant that G's application to switch to Metro under the business banking switch scheme missed the deadline.

What is the appropriate way to put things right

I have considered what would have happened had these mistakes not occurred. I believe G would have switched its account to Metro, an incentive payment of £1,250 would have been paid to G, and G would not have been inconvenienced in having to repeatedly pursue Metro through the process.

Metro's view is that it is not fair and reasonable for it to pay an incentive to G when G did not in the end go ahead with the switch. It submitted that the reason the switch didn't happen may be due to Metro's actions, which is why it is willing to offer compensation, but it believes the incentive amount should only be paid to G if G does actually switch its bank account to Metro.

However, it is not for me to tell G where to bank. Therefore, my focus is on what action Metro must take to put things right.

In the circumstances of this complaint, I think it appropriate for Metro to pay G the amount it would have received under the incentive scheme, ie £1,250. I say that because this was an incentivised switch, so G was denied this amount by missing the deadline. I acknowledge that Metro has also not gained G as a customer, but that is also in consequence of Metro's actions, which caused G to miss the deadline.

As G has been without this money from the time when the switch should have gone through, I also think it appropriate for Metro to pay interest on this amount. Had the information been provided in June, I think it reasonable that the account would have been set up and the incentive payment paid by the start of July. Therefore, I believe Metro should pay G interest at 8% simple per annum on £1,250 from 1 July 2022 until the date of payment.

Given G is the complainant in this case and G is a company, and given that companies cannot feel distress, I cannot make any award to Mr D for any anxiety or distress caused to him by Metro's actions. However, G has been inconvenienced in the time spent by Mr D on these matters. For this, I believe it appropriate for Metro to pay G £200.

I have considered whether G could have mitigated any of its losses by accessing the business bank switch scheme through a different bank. However, given the limited period in which the scheme was available, and the timing of its application to Metro, I don't think this would have been possible.

My final decision

I uphold this complaint. I require Metro Bank PLC to pay G:

- £1,250, plus 8% simple interest per annum on this amount from 1 July 2022 to the date of payment; and
- £200 compensation for inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask G to accept or reject my decision before 10 January 2023.

Andy Wright
Ombudsman