

The complaint

Mrs H says Metro Bank PLC failed to follow her payment instructions despite guaranteeing it would. She is also unhappy with the customer service it provided and with how her subsequent complaint was handled.

What happened

On 1 April 2022 Mrs H called Metro Bank to give it payment instructions as she wanted to transfer money to another bank to settle a mortgage account. She was told the payments team would most likely need to call her back for security checks prior to the transfer going through. Mrs H says after she explained she would only have access to her phone for the next hour the adviser spoke to a manager and it was agreed the transfer would go ahead without a security call.

Metro Bank says Mrs H was advised if the payments team needed to call it makes two separate attempts before requiring the accountholder to call in. In this instance its records show it attempted two call backs within the hour but did not reach Mrs H so the payment instruction was halted.

Mrs H checked her account on 22 April 2022 and discovered the transfer had not gone ahead. She then called the bank. It accepts it could have better assisted Mrs H to process the transfer on that day, and not on the 26 April 2022 as happened. It accepts it also omitted to call Mrs H back as promised on 23 April 2022. For these service issues it paid Mrs H £40 compensation. It does not accept it made any errors on 1 April 2022.

Mrs H says she has suffered a financial loss of £151.75 as a result of the delayed transfer as her mortgage continued to incur interest. The issue caused her considerable distress and inconvenience. The service was appalling: promised call backs did not happen; departments did not communicate with each other and managers were not available for her to speak to. And Metro Bank's response to her complaint was flawed for more than one reason.

Mrs H asks for Metro Bank to cover the additional interest she had to pay as it delayed her mortgage closure; compensation for her calls from overseas where she lives; compensation for the stress and anxiety she suffered and for her wasted time; and compensation to recognise the poor service.

Our investigator upheld Mrs H's complaint in part. She found there was some confusion after the parties' call of 1 April 2022. Mrs H understood there would be no security call, but the bank seems to have meant it would be ok to process the payment as the payments team would be able to call her within the hour she had available. But she felt as the bank had made two calls and left a voicemail after the initial call, Mrs H ought to have been aware she needed to get back in touch. So it would not be fair to hold Metro Bank liable for the interest Mrs H incurred after 1 April 2022. But she did feel, as the bank accepts, it could have processed the transfer on 22 April 2022 and so should compensate Mrs H for the interest she paid between 22 and 26 April. She sent Metro Bank supporting documentation to evidence the daily interest on Mrs H's mortgage account at this time. She also felt it would be proportionate for the bank to pay Mrs H an additional £50 compensation – it had offered

this to recognise the impact of the misunderstanding on the first call.

Mrs H disagreed with this assessment and asked for an ombudsman's review. In summary, she said it wasn't reasonable to assert that a missed call from the bank ought to have alerted her to something being wrong – she wasn't after all expecting a call from the bank. And she only received one call from the bank that day. Regardless, she understood from the initial conversation the transfer would be made without a security call from the payments team. That is the expectation the bank set. It may now be seen as ambiguous but that remains the fault of the bank for not being clear. To defend the bank by saying that it didn't explicitly say there wouldn't be a call shows bias.

In addition, she said the investigator has not considered how poor the overall service was, for example, there was no follow-up communication after the transfer was stopped; the note on her file to call her on the 2 April 2022 if necessary was ignored; no manager was available on request; a call back was missed and on 22 April Mrs H was unhelpfully passed between departments. Finally, she had to chase a response to her complaint in May 2022 and it was not sent by email as requested.

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 I want to respond to Mrs H's comment that our investigation to date shows bias. We are an independent and impartial organisation and we do not act on behalf of financial services companies or consumers - it is not in our interest to find in favour of one party over the other.

I want to reassure Mrs H that I have reviewed, and thought carefully about, all the points she has raised. In keeping with our role as an informal dispute resolution service, and as our rules allow, I will focus here on the issues I find to be material to the outcome of her complaint – and that we have the powers to consider.

I have listened carefully to the call at 9.31am on 1 April 2022. Whilst I accept that Mrs H came off that call with the understanding there would be no security call, this does not mean I can fairly find the bank was at fault for not processing the transfer when it could not contact her. I say this as I think it is equally reasonable to interpret the call as having concluded with the agreement that because Mrs H could take a call from the payments team in the next hour she could proceed. She herself said if someone could call her back in the next hour that would be ok. The bank has acknowledged that the advisor could have explained more carefully what he meant when he said 'it was alright to process the payment now' and so has offered £50 additional compensation. I find this to be fair. Had Mrs H returned the bank's subsequent call(s), expected or otherwise, the payment could have proceeded. I have to consider this when deciding the fair outcome as when we make awards we look at what a customer could have done to mitigate the impact of any issue.

As she didn't call back, the actions Metro Bank took were in line with the terms and conditions of her account (specifically clauses 4.1 and 5.2). And I am satisfied from the bank's outbound call log and call recordings that it made two follow up calls to the correct number, the first within an hour of her initial call at 10.30am and the second at 11.37am. The first connected with Mrs H's voicemail but no message was left. The second also reached her voicemail and a message was left asking Mrs H to call back from her registered contact number. Mrs H says she only had one missed call, I cannot know why that was, but the discrepancy does not change my finding. She also raised that there was no follow-up after this point but I find the bank had met its obligations, and she needed to get back in touch with it. I understand Mrs H feels more should have been more done, but I find Metro Bank

followed its standard process in such circumstances. It is not within our powers to review or comment on a bank's processes or policies – that is the role of the regulator, the Financial Conduct Authority.

Looking at the other service issues, Metro Bank accepts Mrs H did not receive the level of service she is right to expect on 22 and 23 April 2022. It has apologised and paid her £40 compensation. This is in line with what we would award taking into account the impact and duration of the issues on those dates. It follows I am not increasing that part of the award. But I do agree with the investigator's recommendation that the bank should cover the incremental mortgage interest Mrs H had to pay as a result of the delay in the transfer from 22 to 26 April 2022.

Finally, there is a difference between a complaint about a financial service and a complaint about how a firm has handled a complaint. I can only look at the former. Mrs H's additional concerns about what she describes as Metro Bank's flawed response to her complaint is not a complaint about the provision of or failure to provide a financial service – it's distinctly about complaint handling. And under our rules I cannot consider complaint handling.

Putting things right

Metro Bank must now pay Mrs H the additional £50 compensation, plus £24.28 to make good the financial loss she incurred from the interest she was charged on her mortgage between 22 and 26 April 2022.

My final decision

I am upholding Mrs H's complaint in part. Metro Bank PLC must now put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 3 February 2023.

Rebecca Connelley
Ombudsman