

The complaint

Ms B complains about the length of time Metro Bank Plc blocked her account for when she was trying to make a payment.

What happened

The background to this complaint is well known to both parties, and the facts are not in dispute, so I will mention it only briefly here. In July 2022 Ms B received funds into her newly opened Metro account, which prompted a review by the bank. After discussing the issue with her the bank thought she was falling victim to a scam, so maintained the restriction on her account.

Ms B complained, but Metro maintained that they'd stuck by the terms of their account. She referred the complaint to our service. In November 2022 Metro adjusted the type of block to allow Ms B to use the debit card associated with the account. They apologised and said they should have done this earlier. They offered to pay her £250 compensation for the inconvenience caused.

Our investigator looked into the complaint and thought this was a fair offer. They said they were satisfied it was fair for Metro to block the account, as they were trying to prevent her sending money to a scammer. But in this case, they didn't look for alternative arrangements earlier. As such, they felt the £250 offer was a fair reflection of the inconvenience caused.

Ms B disagreed, saying she would accept £500. Metro declined to offer this. As no agreement could be reached the complaint 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.

Metro outline in their terms why they may refuse to carry out transactions or prevent all access to an account. In this case, based on the transactions on the newly opened account, I see it was reasonable to block Ms B's account until they could discuss the activity with her, and also with the source of the funds paid in to her account. I'm satisfied this was in line with the terms of her account.

Once Ms B had told them what she intended to use the funds for, I'm satisfied that it was appropriate for them to maintain the block. I appreciate this isn't what Ms B wanted, but they saw there was a very real risk she was falling victim to a scam here. And considering the wider circumstances of Ms B's complaint, I think it's very likely she was.

If Metro had released the funds in Ms B's account to her it's likely she would have suffered a considerable financial loss. On that basis, I don't think it's unreasonable that Metro prevented her from carrying out transactions on the account until they had a better understanding of the account activity.

Metro have now confirmed they could have allowed Ms B to carry out debit card payments much sooner than they did. By 23 August 2022, when Metro would have reasonable suspicions that she was falling victim to a scam, the bank could still have taken steps to allow debit card payments. I see there was a delay of approximately three months in allowing Ms B access to her funds.

I'm satisfied by not acting early Metro have treated Ms B unfairly. But I also have to temper this slightly, as if they had allowed her to freely use the account, it's likely she would have lost further money to the scam.

No income, such as pensions or investment credits were received during this time. Metro have said they would likely have let Ms B withdraw these had any been received. And my understanding is that Ms B also had other banking facilities elsewhere. While I accept the total blocking of the account would have been inconvenient for her, I do think the impact wasn't extensive, or long lasting.

Taking this all into account, and I appreciate this may not be what Ms B was hoping for, I'm satisfied the offer of £250 is a fair reflection of the inconvenience caused to her by Metro's error.

My final decision

My final decision is that Metro Bank Plc must pay Ms B £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 15 August 2023.

Thom Bennett
Ombudsman