

The complaint

Mr N is unhappy that Metro Bank PLC denied his account application when he gave his correct country of birth but approved a later application when he said he was born in the UK.

What happened

Mr N applied to Metro for a new account, but his application was rejected. Mr N then submitted a second application, which had same details as the first application except for his country of birth, which he changed from his true country of birth to the UK. This second application was accepted by Metro. Mr N wasn't happy about this and felt that Metro had discriminated against him on the basis of his country of birth. So, he raised a complaint.

Metro looked at Mr N's complaint. They explained that they sometimes required additional documents when an applicant declared that they were born overseas, as Mr N was, but that their online application systems unfortunately weren't set up to recognise all instances of this, and that it was this system flaw that led to Mr N's first application not being approved.

Metro apologised to Mr N for what happened and confirmed what additional information they would need from him, given that he was in fact born overseas as he declared in his first application. Metro also made a payment of £50 to Mr N as compensation for any upset or inconvenience the lack of functionality of their systems may have caused. Mr N wasn't satisfied with Metro's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They felt the response Metro had issued to Mr N already represented a fair and reasonable outcome to what had happened. Mr N remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

I issued a provisional decision on this complaint on 2 March 2023 as follows:

I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that Metro have acted in a non-regulatory or unlawful way. Such declarations would be for a regulatory body or a Court of Law to potentially make.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – after taking all the circumstances and factors of a complaint into consideration.

In this instance, I can understand why Mr N would feel that Metro have discriminated against him on the basis of the country of his birth. But having looked at all the

evidence, I don't think Metro has treated Mr N unfairly here – in short, because I feel the explanation Metro have provided regarding the lack of functionality of their systems is reasonable – although I do feel that Metro haven't grasped how its actions have made Mr N feel. Because of this, I'm going to provisionally instruct Metro to pay further compensation to Mr N to remedy this.

In his correspondence with this service, Mr N has asked whether it should be considered fair that a person born in one country should be subject to more stringent account opening criteria than a person born in another country. This is a broad question which it's outside the remit of this service to answer. But Mr N's question can be rephrased to sit within the remit of this service as follows: Is it fair that Metro should subject a person born in one country to more stringent account opening requirements than a person born in another country?

While no conclusions or assertions can or should be drawn about a person on the basis they were born overseas, I ultimately do feel that it's fair and reasonable for Metro to apply enhanced application criteria to individuals that were born overseas, if they feel the need to do so. Consequently, I don't feel that Metro have acted in an unreasonable manner by requiring the further documents from Mr N as they do here.

However, while I'm satisfied that Metro haven't acted unfairly by requiring further documents from Mr N, I don't feel that due account has been taken by Metro of the upset and distress that Mr N has incurred here because of the lack of functionality of their systems and the upsetting conclusions that Mr N has unfortunately but understandably drawn as a result.

Because of the emotional impact that the inadequacy of Metro's system has caused for Mr N here, I'll be provisionally upholding this complaint in Mr N's favour and instructing Metro to pay a further £100 compensation to him, so that the total compensation amount is increased to £150, which I feel provides a fairer level of compensation to Mr N for the trouble and upset he's incurred.

Mr N expressed his dissatisfaction with my provisional decision and reiterated that Metro didn't require further documents from him when he input his country of birth correctly, but instead declined his application.

I can appreciate Mr N's strength of feeling here, but as explained above, I'm satisfied that the reason the application was declined was because of the flaw with Metro's system which meant it wasn't recognised by Metro's system that further documents needed to be requested from Mr N.

Mr N notes that Metro have said that they've raised this procedural flaw with their system developers and has asked for proof of this, in the form of copies of the discussions between Metro and their developers. But I wouldn't consider instructing Metro to provide copies of such conversations as Mr N would like here. This is because any such conversations are private between Metro and their developers. And I'm satisfied that Mr N's complaint here doesn't provide any fair and compelling reason for Mr N to see such non-public information. Finally, Mr N has raised several points that fall outside the remit of what this service can consider and is unhappy with responses provided by our investigator to questions he asked during the investigator's review.

I can only refer Mr N back to the remit of this service as I described it in my provisional decision. This includes that we are not a regulatory body or a Court of Law and that we can only consider the specific circumstances of Mr N's own complaint and not any wider issues that Mr N may want us to consider.

Additionally, I've reviewed the answers provided by our investigator to Mr N's questions and having done so I'm satisfied that Mr N's questions largely fall outside the remit of what this service can consider – as described above. I can therefore confirm that I would have provided answers to Mr N's questions similar to those provided by our investigator.

All of which means that my position on this complaint, as explained in my provisional decision, remains unchanged. I therefore see no reason not to issue a final decision upholding this complaint in Mr N's favour on the same limited basis as described above. And I confirm that my final decision is that I do uphold this complaint on that basis accordingly.

Putting things right

Metro must pay a further £100 to Mr N, so that the total compensation amount is £150.

My final decision

My final decision is that I uphold this complaint against Metro Bank PLC on the basis explained above.

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

Paul Cooper
Ombudsman