

## **The complaint**

Mr H and Mrs H complain that Metro Bank PLC failed to refund transactions they didn't recognise and provided account details to a third party.

## **What happened**

Mr H and Mrs H opened an account with Metro for emergency use. During the opening of the account, Metro mistakenly gave another customer a debit card that used funds from Mr H and Mrs H's account. About a month after opening it, the customer reported that something was wrong to Metro, and believed he'd been spending money from an account that wasn't his own.

Metro contacted Mr H about the issue and advised they'd given his card to the wrong person. Metro refunded the payments made from the account and offered £100 compensation which Mr H and Mrs H declined. New cards were issued.

The following year, Mr H and Mrs H noticed recurring payments had left their account which they hadn't authorised and went back to Metro about them. They made a complaint about the issue to Metro and later brought a complaint to the Financial Ombudsman Service for an independent review.

The complaint was looked into by one of our investigators who asked for information from both parties about the complaint. Mr H and Mrs H's representative explained the impact the issue had on the account holders, especially Mr H due to medical issues he suffered from that had been made worse by the situation with their account.

Metro looked into the issue with the recurring payments and identified that they were payments set up on the original payment card that had been carried through to the new card. Metro blocked this from happening again and refunded the rest of the unrecognised payments. Metro accepted the lack of service and offered £200 in compensation.

The investigator wrote his conclusions about the complaint and thought that the offer from Metro was reasonable and recommended it. Mr H and Mrs H disagreed and thought they were still missing some funds from Metro that had been spent by others and they also thought the compensation payment was insufficient.

Mr H and Mrs H later accepted they'd been refunded all the missing funds but didn't accept the compensation offered by Metro. They wanted Metro to be fined or the compensation figure increased. Mr H and Mrs H were concerned that this type of event doesn't affect others and that Metro should be held to account.

As no agreement could be reached, the complaint has now been passed to me for a 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 think it's fair to conclude that Metro made an error when they mistakenly produced a card that used the funds from Mr H and Mrs H's account that was given to another customer. Once they found out, they corrected the error, reissued the card, and refunded the lost funds.

Because the account wasn't used for normal purchases, Mr H and Mrs H didn't immediately realise recurring payments (set up from the original card) had been leaving the account. Metro again looked into the issue and refunded the rest of the recurring payments, apologised and offered £200 to recognise the impact this had had on Mr H and Mrs H.

I appreciate here that Mr H in particular feels strongly about the impact this had on him and the potential of it for other people to be caught in the same situation. He didn't think the compensation went far enough and wanted Metro to be fined.

I think it worth explaining the role of our service in a little detail. We're here to independently review complaints from eligible complainants such as Mr H and Mrs H. Where appropriate, we'll issue recommendations for redress to put people back in the position they were in prior to the problem and award further payments for the impact this may have had on them.

We're not the regulator and thus not here to punish businesses. So, when assessing the situation, I have to take into account what happened and the impact this had on the complainants. Here, the account was set up as an emergency pot of funds and wasn't needed at the time of the complaint. I accept that Metro caused Mr H and Mrs H stress and worry by their actions and recognise the additional difficulties Mr H experienced due to his medical situation.

Because the account wasn't used, there was little practical impact, but I do recognise that once Mr H and Mrs H became aware of the problem, this caused both stress and worry for them. I understand this also shook their confidence in Metro's ability to look after their funds.

Metro had also failed to block the recurring payments, meaning Mr H and Mrs H had to again raise it with them, causing further distress. I do recognise that Metro put things back as they were once they knew about the issue.

Overall, Mr H and Mrs H haven't lost their funds, but they did suffer some inconvenience having to complain twice and suffered stress and worry about the security of their funds. But, I think Metro's offer of £200 was a reasonable offer and I won't be asking them to increase this.

### **Putting things right**

In order to settle this complaint, Metro should now pay £200 to Mr H and Mrs H for the reasons set out above.

### **My final decision**

My final decision is that I uphold this complaint and Metro Bank PLC are instructed to settle this complaint as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 24 May 2023.

David Perry  
**Ombudsman**