

The complaint

A company which I'll call 'C' complains that Metro Bank PLC treated them unfairly when it closed their account.

The complaint is brought on C's behalf by their directors, Mrs M and Mr R.

What happened

C told us:

- They held a business current account with Metro. In December 2022, Metro asked them to provide information about the company including the countries they traded with and their turnover. This was provided by the end of the month.
- In late January 2023, they received an email from Metro telling them it was closing their account in two months in line with its terms and conditions. However, they reviewed the terms and conditions, and they couldn't see anything that was applicable.
- They appealed the decision with Metro, but the bank just said it had reviewed their account behavior, and their account didn't fall within the bank's risk appetite.
- Metro said it wouldn't give any more detail - however they'd had a payment received from a foreign country which had been stopped and the area manager had said the bank had concerns about how their currency transactions.
- They had then tried to open an account elsewhere which had been declined. They were worried that they wouldn't be able to open an account at all and therefore wouldn't be able to trade.
- They believed it was unfair for Metro to close their account and to do so without giving a reason.

Metro told us:

- It had acted in line with the account terms and conditions in giving C two months' notice that it intended to close their account. C had asked for a further month to allow them to open an account elsewhere which had been granted.
- It hadn't disclosed the reason for the account closure to C as this was in line with its policy.

Our investigator didn't recommend the complaint be upheld. She thought that it was fair for Metro to close C's account in line with the account terms and conditions as it had given them two months' notice. She also thought it was reasonable for Metro to be able to use its commercial discretion when closing C's account. The investigator noted that C said they

weren't able to open an account with another bank, but she said she couldn't comment on this as it wasn't a decision taken by Metro.

C didn't agree. They said they didn't dispute that Metro could close their account in line with the account terms and conditions, but they wanted to know the reason for this. C thought it was unfair that Metro and the investigator wouldn't tell them. So, they asked for an ombudsman to review their complaint.

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.

Having done so, I've decided not to uphold it. I'm sorry to disappoint C, but there isn't much more that I can add to what our investigator has already said.

C is unhappy that Metro closed their account and didn't tell them the reason for its decision. As a bank, Metro has certain legal and regulatory obligations that it needs to comply with. Metro is able to use its commercial discretion in deciding how it will meet these obligations, and what checks it will undertake. Metro's account terms say that the bank can, in certain circumstances, withdraw any service or close an account either by giving two months' notice, or with immediate effect and without notice, if it reasonably believes it has cause to do so. The account terms then give various examples for when the bank may choose to use these options.

Metro has provided us with the information on which its decision to close C's account was based. And having reviewed this, I'm satisfied that it was reasonable for the bank to take this action in line with the account terms and conditions. I recognise C is unhappy they haven't been provided with any detail about the reason for the bank's decision. But the bank doesn't need to disclose any more information than it already has, and I won't be asking it to do so.

I'm sorry to disappoint Mrs M and Mr R, but I don't think Metro has behaved unfairly here in closing C's account. So, I won't be asking it to do anything more.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 2 April 2024.

Jenny Lomax
Ombudsman