

## **The complaint**

Mr H complains that Metro Bank PLC unfairly closed his accounts.

## **What happened**

Mr H opened two accounts with Metro Bank on 25 May 2023. One was opened online, and the other in branch.

Metro Bank carried out its account opening process, which included due diligence checks. Following these checks, Metro Bank informed Mr H of its decision to close both of Mr H's accounts in line with its terms and conditions.

Mr H raised a formal complaint about the account closures. Metro Bank explained it had acted based on information recorded against his name on the Credit Industry Fraud Avoidance System (CIFAS). It explained that it wouldn't be reopening his accounts, and he could take the issue up further directly with CIFAS if he wanted more details or believed the marker to be incorrect.

Mr H remained unhappy and referred his complaint to our service. Mr H explained Metro Bank hadn't provided clear reasons about the account closures. An Investigator reviewed the complaint and found that Metro Bank had acted fairly.

Dissatisfied with this review, Mr H asked for his complaint to be reviewed by an Ombudsman.

## **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, this decision only relates to Mr H's complaint against Metro Bank. Mr H has also complained about the bank which recorded the marker against him on the anti-fraud database CIFAS. The two complaints, about two different banks, are dealt with separately. This decision relates only to whether or not Metro Bank treated Mr H fairly and reasonably.

CIFAS is a fraud prevention agency, which has a large database on which information is recorded to protect financial businesses and their customers against fraud. Mr H opened two accounts, and as part of its due diligence process Metro Bank checked the CIFAS database. This is a standard part of the process when a new customer is taken on, and an important step in ensuring bank's meet their regulatory obligations.

Metro Bank decided to close Mr H's accounts based on the information recorded on CIFAS. Banks can close a customer's account if they wish to, and don't have to give a reason – in the same way that customers can choose to close an account and don't have to give a reason. But banks can also close accounts without giving notice in some circumstances.

This is set out in the terms and conditions of Mr H's Metro Bank accounts. I can see Metro Bank has explained the closure was due to information recorded on the CIFAS database, and it directed Mr H to contact CIFAS directly if he wanted more details.

I also consider that it was reasonable for Metro Bank to rely on the CIFAS database when taking its decision. It didn't have to conduct its own investigation into why the other organisation had recorded the marker, or whether it was correct. And the presence of a CIFAS marker relating to fraud, clearly met Metro Bank's terms and conditions for closing a customer's accounts.

I know this will not be the outcome Mr H was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Metro Bank to take any further action.

### **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 Mr H to accept or reject my decision before 10 January 2024.

Chandni Green  
**Ombudsman**