

The complaint

Ms L complains Metro Bank PLC (Metro) closed her credit card account despite her request for a new credit card to be sent.

What happened

Ms L says she received a letter in November 2022 advising her it was Metro's intention to close her credit card account due to inactivity. Ms L says in line with the instructions in that letter she telephoned Metro on 22 December 2022 for a replacement credit card, but it never arrived. Ms L says she telephoned Metro on 14 January 2023 to query this but was told her credit card account had already been closed the day before. Ms L says Metro's failure to send her a new credit card has resulted in it unfairly closing her credit card account and preventing her from carrying out a transaction for a flight booking and she has lost the beneficial rate on her credit card account.

Ms L doesn't feel Metro's offer of £25 goes far enough to cover the inconvenience and distress this matter has caused her.

Metro apologised for the fact the agent she spoke to in late December 2022, should have informed her at the time he wasn't able to reorder a new credit card given the inactivity of the account for a long period of time. Metro have paid Ms L £25 for this error. Metro says it informed Ms L if she wanted to continue to have a credit card she would need to visit a local store for further assistance.

Ms L wasn't happy with Metro's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator felt Ms L was aware she needed to make a transaction before the 13 January 2023 to stop the account closing, so she could have contacted Metro sooner than she did to ask about the whereabouts of the credit card. The investigator says there's no evidence to suggest the credit card had ever been used since its opening in 2012, or certainly in the last six months, so it was likely Ms L had other means to carry out the transaction to book her flight.

While the investigator agreed Metro had made an error when it said the credit card would be reissued, it had adequately compensated Ms L for that when it paid her £25.

Ms L didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

I sent both sides a provisional decision, where I said :

I've considered all of the evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I will be partially upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Ms L to learn her credit card account had been closed by Metro even though she had requested a new card on the account.

When looking at this complaint I will consider if Metro should have done more here than offer Ms L £25 for the error it made regarding the re-issue of her credit card.

Ms L's complaint centres around the fact Metro closed her credit card account when it had earlier indicated to her in writing that if she requested a new credit card it would allow the account to continue. Ms L has made the point by closing the account Metro prevented her making a flight booking and she has lost out on the preferential rates the card offered her.

The first thing to say here is Metro have acknowledged it made a mistake here when its agent agreed to reissue a credit card but that didn't materialise and paid her £25 by way of apology.

I can see Metro wrote to Ms L initially in November 2022 to say two steps needed to be taken to prevent the credit card account being closed, firstly to request a new credit card and then to make a transaction on the account before 13 January 2023.

Here, Ms L did telephone Metro on 22 December 2022 to say she had mislaid her credit card although she didn't refer to the letter she'd received before saying her account would be closed, which may have changed the way in which the call was handled. That said the agent did agree to issue a replacement card and failed to do so, even if he wasn't in a position to do so as Metro have indicated to this service. I take the view here that if Metro weren't in a position to re-order the card because of its lengthy period of dormancy, it should have made that clear to Ms L at that point.

It's worth mentioning however that Ms L had been made aware she needed to activate the card before 13 January 2023 to prevent the account closure, but she only chased the fact her replacement card hadn't arrived the day after that deadline. Unfortunately, by this time Metro had already decided to close the account.

While I can't tell Metro it must reinstate Ms L's credit card account, as this would be subject to a fresh review of her financial circumstances and is a business decision for it to take, it has created unnecessary confusion and inconvenience for Ms L here, so I'm satisfied an additional payment of £100 is more appropriate.

While neither Ms L nor Metro will be happy with my decision, I'm satisfied this is a fair outcome here.

Both Ms L and Metro responded to my provisional decision, so the case has been passed back to me to make 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 gave both Ms L and Metro until 11 September 2023 to accept or reject my provisional decision. Both Ms L and Metro have accepted my provisional decision, so I see no reason to add or change my provisional decision and so my final decision remains the same.

Putting things right

I instruct Metro Bank PLC to pay Ms L a further £100 for the trouble and upset caused.

My final decision

My final decision is that I uphold this complaint.

I instruct Metro Bank PLC to pay Ms L a further £100 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 19 September 2023.

Barry White
Ombudsman