

## **The complaint**

Ms B has complained that Metro Bank PLC ("Metro Bank") closed her account without giving her a reason why.

## **What happened**

On 19 May 2023 Metro Bank wrote to Ms B to say it had reviewed her accounts and decided that it no longer wanted Ms B as a customer. It explained that it would close her accounts on 20 July 2023 and explained that by then, Ms B will have needed to have withdrawn any money in the accounts, settled any amounts owed and set up new regular payments on a new account with another provider.

Unhappy with this Ms B complained to Metro Bank and asked that it explain why it had decided to close her accounts. Ms B also asked that it delay closing her accounts.

Metro Bank issued a final response to her complaint on 10 July 2023 and said that its decision to close Ms B's accounts remained unchanged. Metro Bank reminded Ms B that she had until the 20 July 2023 to transfer her balance to another account with another provider.

After Ms B referred her complaint to this service, one of our investigators assessed the complaint and they did not uphold the complaint. Ms B did not accept the investigator's conclusions, so the matter was referred for an ombudsman's 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.

Having considered everything, I don't uphold this complaint. I will explain why.

Metro Bank has important legal and regulatory obligations it must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, to ensure it has accurate and up-to-date information about its customers and to prevent and detect financial crime. It's common industry practice for firms to conduct a review on a customer and/or the activity on an account. Banks are also entitled to end their business relationship with a customer, as long as this is done fairly; doesn't breach law or regulations; and is in keeping with the terms and conditions of the account.

In this instance the terms of Ms B's accounts say that Metro Bank can close accounts - in some circumstances with immediate notice, and in others by providing 60 days' notice to a customer. And it doesn't have to provide a reason for doing so.

In this case Metro Bank wrote to Ms B on 19 May 2023, explaining that it had reviewed her accounts and decided that it would end its banking relationship with Ms B and will close her accounts on 20 July 2023. This letter explained that she'd need to make alternative banking arrangements and arrange to transfer any balance out of her account and to set up regular payments on another account with another provider. In the circumstances, I'm satisfied that Metro Bank closed Ms B's account in line with the terms and conditions. I also think that it provided Ms B with a reasonable amount of time in which to make alternative banking

arrangements and to transfer over any automated payments, such as Direct Debits. So I don't think it was being unreasonable when it chose not to give Ms B more time before the account was closed.

I understand Ms B wants Metro Bank to explain the reason why it closed her account. I recognise that it can't be pleasant being told you are no longer wanted as a customer. But Metro Bank is not obliged to disclose to its customers what triggers a review of their accounts. Nor is it under any obligation to tell Ms B the reasons behind the account review and the subsequent account closure - as much as she'd like to know.

So, I can't say Metro Bank has done anything wrong by not giving Ms B this information. And it wouldn't be appropriate for me to require it do so.

In terms of its decision to close the account, I should explain that banks are entitled to decide for themselves whether to do business or continue doing business with a customer. Each financial institution has its own criteria and risk assessments for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to open an account or close an existing account without proper reason, for instance because of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

As outlined above, Metro Bank has relied on the terms and conditions when closing Ms B's account. However, Metro Bank still needs to provide information to this service so we can fairly decide a complaint. Metro has provided information about why it no longer wanted Ms B as a customer and closed her account. Having reviewed that information I'm satisfied that it did so fairly.

I recognise that it is frustrating for Ms B to not know the specific reasons why Metro Bank decided to close her account, especially as she had been a customer for some time. But I am satisfied that Metro Bank has acted within the terms and conditions of the account. I am also satisfied that Metro Bank has acted fairly and reasonably in the circumstances. I therefore can't reasonably say that Metro Bank should reinstate Ms B's account or explain to Ms B why it decided to close her account.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 5 March 2024.

Thomas White  
**Ombudsman**