

## **The complaint**

Mr N has complained that Metro Bank PLC (“Metro Bank”) placed a restriction on his account, and then closed it without giving a reason why.

## **What happened**

On 13 May 2023 Metro Bank froze Mr N’s account. Mr N called Metro Bank to understand what was happening with his account. Metro Bank requested that Mr N provide information about payments that were crediting his account. Mr N provided information relating to the payments on his account, and the block was partially lifted – allowing debits and card payments to be made from the account.

Following this, Metro Bank wrote to Mr N on 18 May 2023 to say that it had decided to close Mr N’s accounts - giving Mr N 60 days’ notice to make alternative banking arrangements before the account was closed.

Unhappy with this, Mr N contacted this service. After he did that, Metro Bank issued its final response to Mr N’s complaint, explaining that it was not prepared to change its mind about closing the account. Metro Bank explained that it was not obliged to provide Mr N with the specific reasons why it chose to close his account. Although it did provide Mr N with the contact details for different agencies, so he could review what information other providers may be able to see about his credit file.

One of our investigators assessed the complaint and they didn’t think that Metro Bank had acted unfairly or unreasonably, so they did not uphold the complaint.

Mr N disagreed with this, so the matter was referred for 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.

Having reviewed everything, I do not 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. Because of these requirements, 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 Mr N’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 placed a restriction on Mr N’s account on 13 May 2023. When Mr N spoke to Metro Bank it explained that it needed more information about payments that had

credited his account. After Mr N provided this information, Metro Bank did agree to partially remove the restriction – allowing Mr N to take money out of his account. But following its review of the account, Metro Bank decided that it would end its banking relationship with Mr N.

Metro Bank emailed Mr N on 18 May 2023 to say that it will close his accounts on 19 July 2023. This letter explained that he'd need to make alternative banking arrangements and arrange to transfer any balance out of his account and to set up regular payments on another account with another provider. In the circumstances, I'm satisfied that Metro Bank closed Mr N's account in line with the terms and conditions of the account and gave Mr N a reasonable amount of time to make alternative banking arrangements.

I understand Mr N wants Metro Bank to explain the reason why it closed his account. I recognise that it can't be pleasant being told you are no longer wanted as a customer. I also appreciate that it may be concerning for Mr N, in case there was an unknown issue relating to him that may appear on his credit file. But Metro Bank is not obliged to disclose to its customers what triggers a review of their accounts or the reasons behind the subsequent account closure - as much as Mr N would like to know. Although having said that, I can see that in its final response to the complaint, Metro Bank provided Mr N with the contact details for different agencies. In my view this was reasonable, as it should help Mr N to double check what information other providers may see on his credit file.

So, I can't say Metro Bank has done anything wrong by not giving Mr N any further detailed information about its decision to close his account. 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 Mr N'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 decided to close Mr N's account. Having reviewed that information, I'm satisfied that it did so fairly.

I recognise that it is frustrating for Mr N to not know the specific reasons why Metro Bank decided to close his account. I also recognise that the timing of the restriction placed on his account was particularly inconvenient for him. 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 Mr N's account or provide the reasons why it chose to close his 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 Mr N to accept or reject my decision before 5 March 2024.

Thomas White  
**Ombudsman**