

## **The complaint**

Ms S is unhappy that Metro Bank PLC allowed her to go into an unarranged overdraft.

## **What happened**

Ms S made a purchase of £9,233.54 using her Metro debit card on 17 November 2022. However, the vendor's system was offline, and Metro only received information about the transaction on 7 December 2022 – after the vendor's system came back online. This meant that Metro didn't apply the transaction to Ms S's account until 7 December 2022, at which time the balance of Ms S's account meant that the transaction caused her account to go into an unauthorised overdrawn position.

Ms S spoke with Metro about the position of her account, and it was explained to her that she needed to make a payment to bring her account out of an overdrawn position. But Ms S didn't do this, and so Metro issued a default notice to Ms S in May 2023 and later defaulted her account when Ms S didn't address the arrears within the timeframe given to her in that notice to do so. Ms S wasn't happy about this, so she raised a complaint.

Metro responded to Ms S but didn't feel they'd done anything wrong in how they'd administered her account. Ms S wasn't satisfied with Metro's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Metro had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Ms S remained dissatisfied, so the matter was escalated to an ombudsman 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 done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Ms S has provided several detailed submissions to this service regarding her complaint. I'd like to thank Ms S for these submissions, and I hope she doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Ms S notes that I haven't addressed a specific point she's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Ms S and Metro. Rather, it should be

taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

Ms S disputes that the transaction she undertook in November 2022 was an 'offline' transaction, such that Metro didn't become aware of it the following month when the vendor's system went back online. And Ms S has supplied a screenshot of the transaction receipt she obtained at the point of sale which she feels confirms that Metro approved the transaction themselves at that time. Ms S therefore feels that Metro were aware of the November transaction in real time but failed to apply the transaction to her account.

Metro disagree. They note that while Ms S undertook the transaction in November, they only received notification of the transaction in December, at which time the application of the transaction to Ms S's account balance took that balance into an unauthorised overdraft.

On balance, and in consideration of the information available to me, I find Metro's position to be more persuasive here. I take this position because it seems clear that Metro did only receive information about the transaction in December 2022 as they've explained. And while I note the transaction receipt Ms S has provided, I'm not convinced that this provides confirmation that Metro were aware of the transaction at the time it took place, as Ms contends, rather than it being simply a confirmation that the transaction had taken place.

I also feel that the difference in opinion between Ms S and Metro described above is largely irrelevant. Instead, I feel that what is important here is the fact that Ms S undertook the transaction of £9,233.54 in November 2022. And I feel that this is important because I feel that the overriding principle here is that an account balance should reasonably be expected to be an accurate reflection of the account transactions that have taken place.

Ms S made the transaction, and so I feel it's fair that it should be applied to her account. And if it were the case that Metro, for some reason didn't apply the transaction to Ms S's account when the first should have done – although, to clarify, I don't feel that it's likely that Metro made any such error in this instance – then it would still be expected that Ms S, as the account holder, would be aware of the transaction that she'd undertaken and of her overall account balance. And I feel that this is especially the case given that the transaction amount - £9,233.54 – is not insignificant.

I'm also unclear as to what Ms S expected Metro to do regarding this transaction. Notably, when Metro were informed of the transaction in December 2022, the balance of Ms S's account was £533.56, meaning that the transaction took the account £8,699.98 overdrawn. Ms S is unhappy that Metro allowed her account to go overdrawn. But she had spent the £9,233.54. And if Ms S's contention here is that Metro should have avoided the account going overdrawn by not charging that money, that she had spent, to her account, then this would be clearly unfair and not something I would consider instructing Metro to do.

Ultimately, given that Ms S undertook transactions on her account between November and December 2022 which resulted in her account being £8,699.98 overdrawn, I feel it's fair that Metro would consider her account as being overdrawn by that amount.

I also note that Metro spoke with Ms S about the overdrawn position of her account and informed her of the potential consequences if she didn't make a payment to bring her account out of an overdrawn position. But Ms S didn't do this, and so I don't feel that Metro acted unfairly by following the account arrears process that they then did.

It follows from the above that I won't be upholding this complaint or instructing Metro to take any further or alternative action here. This is because I'm satisfied Ms S undertook transactions on her account which took her account overdrawn, and I feel it's fair that she

should be accountable for that overdrawn balance. And I also feel Ms S had a responsibility to have accounted for the November 2022 transaction herself, given that she undertook it, and given that it wasn't present on her account statement before December 2022.

I realise this won't be the outcome Ms S was wanting. But I trust that she'll understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 16 February 2024.

Paul Cooper  
**Ombudsman**