

The complaint

Metro Bank PLC admitted providing poor service to Mr A when it gave him misinformation after placing a block on his account. Mr A complains that the proposed compensation amount is insufficient redress for everything that happened.

What happened

Mr A opened a current account with Metro Bank. When he went on holiday overseas shortly after, Metro Bank blocked a four figure amount he wanted to credit to his Metro Bank account by making a transfer from another bank account he controlled. Metro Bank told Mr A (incorrectly) that he was being issued a 'Notice to close' his account. Not being contacted further about this despite promised phone calls and emails added to Mr A's frustration. And he was also unhappy that Metro Bank hadn't been able to change his registered phone number when he tried to do this.

When he complained, Metro Bank said it had acted in line with terms and conditions when it placed a restriction on Mr A's account until he was able to complete the required verification. It said that changing his phone number couldn't be done at weekends when Metro Bank was only able to offer customers a reduced service. But Metro Bank acknowledged that Mr A was given incorrect information during a phone call when he was told that Metro Bank would be closing his accounts. By way of apology for this, Metro Bank said it would credit £40 to his account.

Mr A didn't feel this was a satisfactory response and so he brought his complaint to us. When we got involved, Metro Bank reviewed Mr A's complaint and told us it wanted to increase its compensation offer to £200.

Our investigator thought that this was a fair offer in all the circumstances.

Mr A disagreed with our investigator, mainly saying that £200 was insufficient redress for what happened. He put things this way: *'...The amount of hours I worked to save up for that trip is immense, and due to the bank's massive error, the entire trip was destroyed. The stress and disappointment caused by this situation are beyond measure.'*

The complaint has come to me 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.

I can understand why what's happened has been frustrating for Mr A. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

My role is to consider the evidence presented by both sides and reach a fair and reasonable decision. I must be impartial. In order to be able to uphold Mr A's complaint, I have to be able to fairly say that Metro Bank did something wrong or treated Mr A in a way that wasn't fair and reasonable, and that this caused him loss. So I've looked at what happened, keeping all this in mind.

The relevant account terms and conditions, which Mr A would've agreed to in order to be able to use the account, allowed Metro Bank to block the account in these circumstances. So I don't find that Metro Bank made any error when it applied the block to the account.

Banks are required to comply with regulatory requirements and expected to ensure they put in place measures to protect clients' money. As Metro Bank doesn't have on record full details for Mr A, it's reasonable in these circumstances that Metro Bank has asked to see Mr A in branch to verify his identity. That's a normal part of banks' standard checking processes and I don't consider that to be an unusual or unduly onerous requirement in the circumstances here.

It's unfortunate that it wasn't possible for Mr A to update his phone contact information when he tried to do this. But I can't fairly say that Metro Bank made any error or treated Mr A unfairly or unreasonably by not being able to offer that service when he called. It's not up to the Ombudsman to tell Metro Bank what services to offer or how to operate its business.

The main part of Mr A's complaint is about the compensation he feels he's owed by Metro Bank to reflect the significant inconvenience he was caused when the transfer he wanted to make was blocked. To be clear, I have found that Metro Bank didn't do anything wrong when it blocked the credit – so this doesn't warrant compensation.

But there was a delay before Mr A's money was returned to the sending bank – this took three days when he was led to expect this would happen within 24 hours. And Mr A was caused additional distress and anxiety when Metro Bank gave him misinformation about his account being closed and promised phone calls and emails didn't happen. Naturally, this would have been very upsetting for Mr A. I've taken into account that this happened when Mr A was out of the country and he was reliant on the money being transferred to his Metro Bank account in order to fund holiday activities. He had to borrow from his family as a result which I can see would have been inconvenient at the very least – and I imagine embarrassing for Mr A. So I can see why he says this made the holiday experience very stressful and disappointing.

We don't generally pay redress to complainants to reflect their time dealing with the complaint and I haven't been provided with anything to show that what happened caused Mr A any actual financial loss. But he's entitled to expect a fair payment to reflect the trouble and upset caused by Metro Bank's admitted service failings here.

Taking everything into account, I consider that £200 matches the level of award I would make in these circumstances had it not already been proposed. I don't doubt that Metro Bank's poor handling of matters, as described above, caused Mr A significant distress and inconvenience. I am satisfied that a payment of £200 is in line with the amount this service would award in similar cases and it is fair and reasonable compensation for Mr A in his particular circumstances.

Putting things right

Metro Bank should pay Mr A £200 compensation in total to reflect the impact on him of its admitted poor service.

Metro Bank can set off any compensation already paid to Mr A in connection with this complaint.

My final decision

I partly uphold Mr A's complaint and direct Metro Bank PLC to take the steps set out above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 July 2024.

Susan Webb
Ombudsman