

The complaint

Mr K has complained about the way Metro Bank PLC handled some loan repayments from his current account.

What happened

Mr K authorised repayments for a loan to be taken from his Metro account using his Metro debit card.

The loan company has explained that a repayment had to be attempted multiple times as the addresses Mr K had provided to Metro and the loan company were different. This led to a duplicate payment being left pending on Mr K's account. The loan company did not claim or reverse the duplicate payment, so it sat pending for a number of days. It did not debit Mr K's account in the end, but in the meantime it had temporarily reduced his available balance.

Mr K is unhappy with this, and with the time he spent trying to resolve the issue. Metro explained that there wasn't an error on the bank's end and it was up to the loan company to claim or reverse the duplicate payment. They did acknowledge they could've provided better customer service, so they paid Mr K £50 compensation in recognition of that.

Our Investigator looked into things independently and didn't uphold the complaint. Mr K appealed, so the complaint's been passed to me to decide.

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.

First, I should explain that in this particular case, I'm only considering the dispute Mr K originally brought to Metro and then our service, about the loan repayments. He has since raised a new separate complaint about a new separate issue, which we are dealing with in a separate case to this one. So I won't comment on that here.

Further, in this case, Mr K declined to provide the information our Investigator asked for, as he said he was too busy. So I've had to assess the case based on the information I do have.

From what I can see, it seems that a key reason why Mr K was declined, and why the loan company had to make multiple attempts to collect the repayments, was to do with Mr K providing an address to the loan company which was different to the address he'd provided to Metro. This does not appear to have been caused by any error by Metro.

Due to the multiple attempts, a duplicate payment went through. With this type of card payment, it was then up to the loan company to either claim the money or send it back. Once that card payment was authorised, it was too late for Metro to be able to reverse it. The reason it stayed pending for so long was because the loan company didn't claim or reverse it earlier. Again, this does not appear to have been caused by any error on Metro's end.

From what Mr K has sent us, it appears that his loan was paid off successfully in the end and the loan company didn't charge him any extra interest. I can also see that his Metro account was generally in a healthy balance, none of his direct debits appear to have got reversed, and while his card did get declined, he was otherwise broadly able to carry out day to day spending. And the duplicate payment only reduced his available balance temporarily – it did not debit his account in the end. So even if this were Metro's fault, the financial impact would appear to have been relatively limited. But again, it seems this was not caused by an error on Metro's end.

I do see that Metro's customer service could've been better – for example, they didn't send their final response letter to Mr K at first. I appreciate that Mr K was caused inconvenience there and had to spend time sorting things out. I also appreciate that Mr K got the impression that a manager at Metro would somehow sort things out with the loan company for him, though I've not been able to find a record confirming this was said. When it comes to compensation, it's worth bearing in mind that we're not here to issue fines or to punish businesses. And here, the core issue seems to have been caused by Mr K providing different addresses to the different companies, and by the loan company leaving the duplicate payment as pending. It does not seem to have been caused by an error on Metro's end. Metro were correct in advising Mr K to take things up with the loan company. So taking into account our guidelines for compensation, I find that the £50 Metro have already paid is fair to put things right in this case.

My final decision

For the reasons I've explained, I don't uphold this complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 2 December 2024.

Adam Charles
Ombudsman