

The complaint

Mr M complains that Metro Bank PLC decided to close his bank account and his bank card didn't work properly.

Mr M is also unhappy that Metro stopped him using the account switching service which led to him missing out on a cash bonus. Mr M wants compensation for the financial loss and upset he was caused.

What happened

The circumstances that led to this complaint are well known to both parties. As such, I'll provide only an overview of the most essential facts here.

Mr M previously had accounts with Metro which were closed in 2018 and 2019. Metro wrote to Mr M in April 2019, to let him know it had decided to close these accounts and he'd need to make alternative banking arrangements. The letter also advised Mr M that any future accounts he opened with the bank would be closed.

Unfortunately, Mr M ignored Metro's advice and in March 2023, went ahead and opened another account with Metro, which Mr M then proceeded to use. Shortly after this, Metro reviewed Mr M's application, and identified he had opened another account despite being advised not to do so.

Following this Metro decided to close the newly opened account and wrote to Mr M on 8 June 2023, giving him 60 days' notice that it wasn't willing to provide him with banking services. Mr M's account was due to close on 9 August 2023. However, the account wasn't closed until 2024 when Metro carried out a bulk closure.

During the notice period Metro restricted Mr M's account. This meant other than government benefits no payments could be credited to Mr M's account, however Mr M could still make debits from the account. Mr M continued to use the account making online transactions and bank transfers. However, he said he wasn't able to use his bank card to make chip and PIN purchases, which caused him inconvenience.

On 25 August 2023, Mr M tried to move his Metro account to another bank, which I will refer to as T, using the account switching service. T was offering a £200 account switching bonus to customers who moved their banking across to them. However, T told Mr M that Metro had stopped the switch, so he wasn't able to claim the money.

Mr M wasn't happy about all this and complained to Metro. He said he was out of pocket £200, hadn't been able to use his card in shops and wanted Metro to explain why it had closed his account. In response, Metro said it hadn't done anything wrong when it had closed Mr M's account and stopped the account switch.

Metro told Mr M it had closed his account in line with the terms and conditions and said it had no evidence Mr M had experienced any problems trying to use his card as all the

payments Mr M had made had been online transactions. And Mr M hadn't actually activated his bank card using his Chip and PIN. So, it couldn't see how Mr M had been inconvenienced.

Unhappy with this response Mr M brought his complaint to our service. He said Metro had closed his account unfairly and cost him £200. He said his account had remained open as transactions kept appearing and he received account statements. He wants Metro to reopen his account and pay him compensation.

One of our investigators reviewed the complaint and didn't think Metro had acted unfairly when it had closed Mr M's account. She also explained that Metro didn't have to explain why it no longer wanted Mr M as a customer and hadn't seen any evidence that Mr M had encountered any problems using his bank card. The investigator also thought Metro had acted fairly in providing information to the switching bank. And stopping the switch. So, she didn't uphold Mr M's complaint.

Mr M disagreed and asked for an ombudsman to review his complaint. As no agreement could be reached the complaint has come 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.

Mr M is unhappy that Metro decided to close his newly opened account. He has said that he wants an account with Metro. I appreciate the account closure inconvenienced Mr M and I'm somewhat sympathetic to the position he finds himself in. But Metro isn't obliged to continue its relationship with Mr M simply because he wants to bank with them.

Banks are 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. 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 continue to provide banking services without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Metro have relied on the terms and conditions when closing Mr M's account. These state that the bank can close an account by giving two months' notice. And in some circumstances immediately. Here, Metro wrote to Mr M on 8 June 2023, giving him the full notice period of that it was closing his account and that he'd need to make alternative banking arrangements. So, I'm satisfied that it's complied with this part.

I've then gone on to consider whether Metro's reason for closing the account was fair. In doing so, I appreciate that Metro is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Metro should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

After considering all the available evidence and circumstances, I haven't seen any evidence that would lead me to conclude Metro closed Mr M's account for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its commercial discretion. That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial

business decision. So, it was entitled to close the account as it's already done. And I won't be directing Metro to reopen Mr M's account.

I understand Mr M wants Metro to explain the reason it closed his account. It can't be pleasant being told you are no longer wanted as a customer. But Metro doesn't disclose to its customers what triggers a review of their accounts to its customers. It's under no obligation to tell Mr M the reasons behind the account review, as much as he'd like to know. It's also under no obligation to provide Mr M with the reasons it no longer wants him as a customer. So, I can't say it's done anything wrong by not giving Mr M this information. And it wouldn't be appropriate for me to require it do so.

Metro has explained that whilst it told Mr M his account would close in August 2023, the account wasn't properly closed until 2024. Metro has explained that this was because Mr M's account was closed along with a number of other accounts in bulk. Mr M says that he kept receiving bank statements after the date his account was due to be closed. So, he didn't understand what was happening with his account.

I appreciate that the delay in closing the account is likely to have caused Mr M some confusion. For reasons which are unclear, the closure didn't go ahead until 2024. But I've also kept in mind that at the time Mr M appears to have had access to at least one other bank account and I'm satisfied that the notice to close letter Metro sent to Mr M clearly set out that it intended to close his account. I note too that Mr M's Metro account balance was just over fifty pence. And Metro told Mr M not to apply for any future accounts in 2019. Nevertheless, Mr M went ahead and opened another account. So, when I weigh everything up, I don't think continuing to receive account statements had much of an impact on Mr M, he was aware that the account was being closed, and the balance was minimal. So, I won't be asking Metro to do anything further to resolve this aspect of Mr M's complaint.

Mr M has also said that whilst his account was open, he had problems using his bank card, which caused him a lot of problems and meant he had to keep taking out cash to pay for things. We've asked Metro about this, and it has provided technical evidence which contradicts what Mr M has said. The evidence shows Mr M never activated his bank card though a chip and PIN transaction. And there were no declined or attempted transactions on the account that would have required Mr M to use his card and PIN. From looking at his account statement I also notice that the payments Mr M made did not require a chip and PIN. So, it wouldn't be fair for me to award Mr M any compensation for something there's no evidence of.

Finally, Mr M is also upset that Metro stopped his account being transferred to T, using the account switching service. Mr M says this meant he lost out on a £200 switching bonus, so he's out of pocket. I've seen the evidence that Mr M has provided to our service which explains why his account switch was rejected.

I understand it's frustrating for Mr M that the switch wasn't successful, Metro can refuse to comply with a switch request if they have reasonable grounds to do so. I understand that Mr M thinks Metro don't have any valid reason for refusing the switch. But I've carefully balanced what Mr M has told us against Metro's basis for their refusal, and I'm satisfied Metro had legitimate and reasonable grounds to take the action it did in stopping the switch. So, I won't be asking Metro to compensate Mr M for any losses he may have encountered as a result of not being able to switch his account to T.

In summary, I realise Mr M will be disappointed by my decision. But based on the available evidence, I don't think Metro treated Mr M unfairly in taking the actions it did. So, I won't be asking Metro to do anything more to resolve Mr M's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

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

Sharon Kerrison
Ombudsman