

The complaint

Mrs P complains, as a director, on behalf of PD (a limited company) that Metro Bank PLC didn't advise that overdraft renewal fees would be charged to PD's account. She hasn't specified what redress she is seeking.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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 have reached the following conclusions: -

- As I understand it Mrs P initially engaged with Metro Bank about a possible overdraft for PD in August 2022 although didn't finalise this until 2023. Metro Bank has advised that its indicative terms and conditions sent in August 2022 didn't contain information about renewal fees after 12 months but say all the terms were fully discussed in a meeting in April 2023.
- It is very hard for either side to prove what was said or not in a meeting so I can't be sure whether the renewal fee was made clear at the meeting in April 2023 or in any other meeting. I am surprised this information wasn't contained in the indicative terms and conditions.
- However, as I understand it Mrs P had a face-to-face meeting in May 2023 at which Metro Bank says it gave her a document pack including the full terms and conditions. I have seen a letter sent on 22 May 2023 to the other director of PD. I think it is reasonable to assume that Mrs P would have seen this letter given her relationship with the other director.
- I believe this letter either is, or forms a significant part of, the document pack Metro Bank says it provided at the May 2023 meeting. This letter states, 'a renewal fee may be charged if we are willing to renew or extend this overdraft' and that Metro Bank would notify of any intended fee at least 14 days before any renewal. Included in this letter is a document titled 'Adequate Explanation for a Business Overdraft' which states there will be an arrangement fee and 'a subsequent review fee every 12 months. This is also stated in the Pre-Contract Credit Information supplied with the letter.
- Mrs P has referred to email correspondence and marketing information that didn't refer to a renewal fee. That may be the case, but I think Mrs P had sufficient information from the letter dated 22 May 2023 to know a fee might, or would be charged, after a year.
- Metro Bank has also provided a letter dated 30 April 2024 advising of the renewal fee. This complies with its terms and conditions to give at least 14 days' notice of the

renewal fee.

- I understand Mrs P took a decision not to go ahead with the overdraft renewal, so the fee taken from her account on 22 May 2024 was refunded. She has made the point of the loss of interest for this time. From bank statements I can see the fee was taken on 22 May 2024 and refunded on 24 May 2024, so any loss of interest was minimal.
- However, the letter advising the fee would be taken was dated 30 April 2024. I think Mrs P had sufficient time to advise Metro Bank she didn't want to renew the facility to avoid any fee being taken. So, I can't reasonably ask Metro Bank to refund any loss of interest as this could have been avoided if Mrs P had cancelled the renewal in time.
- I appreciate Mrs P has asked for some compensation. However, as our investigator has already correctly advised, this complaint is on behalf of a limited company. We can't award compensation to companies as a company can't be troubled or upset

My final decision

My final decision is that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 7 November 2024.

Bridget Makins
Ombudsman