

The complaint

Mr C has brought a complaint on behalf of a business “C.” For ease throughout I’ll refer to Mr C rather than the business.

Mr C was unhappy that a sudden block was placed on his business, personal and club accounts by Metro Bank Plc.

What happened

Mr C said the block was placed on the accounts unfairly. He didn’t agree with the rules Metro said it was entitled to apply. Metro said it did so in line with its account terms and conditions. Metro said Mr C accessed his online services while within a territory that it doesn’t have the risk appetite for. Mr C said he didn’t access services or use his cards when in that territory. As the matter couldn’t be resolved Mr C brought the complaint to this service.

Our investigator didn’t uphold the complaint. She said the block wasn’t applied in error and it was in line with the account terms and conditions that applied. She accepted Mr C had his card set up for spending while he was in the vicinity of this territory. And our investigator noted Metro is following strict regulatory and legal obligations. She said the £150 Metro offered broken down as £30 for the service received, £100 for the internet charges, and £20 for the call charges was fair as the account wasn’t blocked in error.

Mr C didn’t accept this and asked for his complaint to be passed 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.

Mr C has also brought a personal complaint so I will focus on the complaint he brought for the business here.

Mr C said he didn’t use his cards in the country Metro had applied the block for.

Mr C said his dealings on the phone with Metro to get the matter put right were unsatisfactory. He said he had to spend time on lengthy calls and the service on the calls was of a poor standard. Mr C was on holiday and was looking to relax rather than get into lengthy financial conversations with Metro or with his holiday provider.

Mr C wanted Metro to refund him the costs for the internet charges and phone calls he had to pay for to deal with the problems the block created.

Mr C also asked that Metro write to the companies he hadn’t been able to pay during the block. He said he had been embarrassed by Metro in front of these businesses. He said he wanted his good character confirmed and that Metro’s incompetence shouldn’t impact his credit rating. He said Metro’s policy was not in line with other banks.

Metro said the block was prompted by a system alert indicating Mr C had accessed his online banking services in a location outside of its risk appetite. It said as was procedure in these cases the accounts were blocked pending a check on Mr C's whereabouts.

Metro said because the country involved was outside its risk appetite, it hadn't done anything wrong when it applied the block. It said the block was removed promptly once it received the required documentation from Mr C. It said it worked within the timelines of its normal service limits for investigations. It said it wouldn't offer any further compensation unless Mr C could evidence a financial loss incurred.

Metro confirmed it doesn't need to provide prior notification of such account blocks. And said it did send a letter to Mr C on 28 December 2023 asking for more information about his whereabouts. Mr C pointed out that a letter home isn't any use when he's away on holiday.

Metro said Mr C's credit rating wouldn't be affected.

Metro confirmed the out of hours team doesn't have the capability to remove the block, so its agent requested Mr C call back during normal hours. It accepted Mr C was unhappy with this, but felt the call became "*unproductive.*"

Metro accepted the point Mr C made about his costs. So, it did offer £150 as compensation for the poor service Mr C received during the phone call and to cover the internet and phone charges.

I can understand how Mr C felt on behalf of his business. This would have been difficult for him, and I don't doubt he would have felt embarrassed and frustrated.

But the evidence I've seen shows that Metro followed its standard procedure. It applied and removed the block in line with its normal process and without error.

Metro has detailed the countries that it doesn't have risk appetite for, and the country Mr C visited is one of those countries. So, although I understand Mr C said he thinks other banks have a different policy I can only deal here with Metro. And Metro has acted in line with its own guidelines. There's nothing to suggest the block was applied in error.

I can see why the telephone call with the out of hours team was difficult. Although I can understand the bank's procedures it would have felt very frustrating for Mr C to be told it couldn't help and he would have to call back in the morning to remove the block. I think it was important that Metro accepted Mr C could have received better service here. Yes, it's clear that Mr C was a bit fed up, but I don't blame him in the circumstances. The staff member could have been more receptive and helpful and Metro have recognised that.

Mr C wanted Metro to cover his costs and it agreed to do that along with the small amount it added for the poor call handling. As it didn't make any errors around the block, I think Metro has acted fairly and reasonably. I won't be asking it to do anything more.

My final decision

I don't uphold this complaint.

I make no award against Metro Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask M to accept or reject my decision before 6 March 2025.

John Quinlan
Ombudsman