

## **The complaint**

Mr L is unhappy with the service he received when he applied for a new account with Metro Bank PLC. Mr L has said that the bank discriminated against him due to his place of birth.

## **What happened**

The details of this complaint are well known by both parties, so I won't repeat them again here in detail. Instead, I'll focus on setting out some of the key facts and on giving my reasons for my decision.

Mr L is a UK citizen, but was born in another country which I will refer to as B.

In December 2023, Mr L applied online to open an account with Metro. After submitting his application Metro sent Mr L an email that it needed to complete further checks on his application and would be in touch with Mr L within 72 hours. However, no one from the bank contacted Mr L.

On 22 December 2023, Mr L called Metro to find out what was happening with his application. Metro told Mr L that it was having some issues with online applications and said if he visited a branch with ID and proof of his address, he might be able to open an account. Following this Mr L visited a branch with his UK passport, which showed he was born in B.

Mr L spoke to a member of staff in branch and presented his passport. Metro then went through an enhanced know your customer (EKYC) process as part of its account application process, because Mr L was a national of a high-risk country.

Mr L was unhappy with the questions he was asked about being born in B and the way he was treated in branch. He said the advisor was rude and racist towards him. Mr L has said:

- He presented his UK passport and on seeing he was born in B the advisor asked why he used a British name.
- He was asked if he was planning to visit B.
- The advisor said he was doing Mr L "a favour" processing his account application.
- He had an account with another bank but wanted to move to Metro due to more convenient opening hours and a recommendation from a friend.
- He opened accounts with other banks who didn't ask him any of the questions Metro asked him.

Mr L complained to Metro. In response Metro said the following:

- As detailed in section 1.3 of their terms and conditions for personal customers, the bank will make checks to assess whether a potential customer is eligible for the product or service they have requested. There are sometimes occasions where this process might take a little longer and this includes situations where a prospective customer might have a link with certain countries.
- Metro will make various checks during its account applications process, to ensure

that it is compliant with their legal and regulatory obligations.

- In the case of B, owing to international sanctions Metro can't maintain accounts for customers based there. Metro will also carry out extra checks for customers who are nationals of B or who were born there, but they are not prohibited from opening accounts.
- Applications for customers with such links have to be referred to a central team to be accessed.
- Metro spoke to the member of staff who dealt with Mr L in branch. The member of staff said that they remembered Mr L was unhappy with the way he spoke to him and the questions he was asked regarding his name and the EKYC questionnaire needing to be completed.
- The advisor explained that due to financial sanctions there was a shorter list of documentation that Metro would be able to accept for anybody who is a national of or born in B. He also explained that for this reason, the account would take longer to open as Metro are required to send applications for further checks.
- Mr L was unhappy with this and argued that as he was a British citizen this shouldn't apply and that he had been told by the bank's call centre that he would be able to open the account on the same day. The member of staff explained that normally this would be the case but as he had explained, due to the customers place of birth it meant that Metro was required to run further checks.
- The advisor asked the Mr L if he is known or had been known by any other names. After noticing Mr L's name was an English name and had wondered if the customer had a previous name he had changed to. Mr L was unhappy with this response and told the advisor that this "was not an issue" and told him not to ask any more questions like this.
- As the advisor asked the questions listed on the EKYC form, Mr L pushed back and repeatedly asked the advisor why he was asking this and why it was necessary for us to know. The advisor explained that it was part of the bank's policy for opening an account. Mr L then stood up and walked out of store without completing the questionnaire.
- Metro has strong and stringent policies in place with regard to its Treating Customers Fairly obligations. The information provided during Mr L's visit was done in line with internal policies that must be followed, and to set Mr L's expectations with relation to an account opening.
- Metro appreciated that Mr L was unhappy with the questions asked, however it said that this was a necessary part of the account opening process.

Mr L remained unhappy, so he brought his complaint to our service. He said although he was born in B, he had not been back to B for twenty years. He explained that when he was in the branch, staff took a copy of his UK passport, and that he finished the application. So, Metro is lying about the application not being completed. He maintains that Metro have discriminated against him on the basis of him being born in B.

After Mr L brought his complaint to us Metro decided to offer Mr L £100 compensation to recognise Mr L's in branch experience. Metro said it recognised the sensitive nature of its account opening questions. And said these conversations, while valid, have clearly upset Mr L. Metro also accepted it hadn't responded to Mr L within 72 hours of him making his online account application.

Mr L rejected Metro's offer. So, one of our investigator's looked into Mr L's complaint. They didn't uphold the complaint and in summary said:

- Although they understood why Mr L feels that he's been discriminated against due to

his place of birth and the bank's additional questioning, they were satisfied that the bank has acted to fulfil its legal and regulatory obligations.

- Metro Bank, like all banks in the UK, have numerous legal and regulatory obligations which they must fulfil. Part of this is ensuring that the bank is complying with the Customer Due Diligence regulations.
- The measures a bank must put in place aren't prescriptive, and they vary from one customer to another due to numerous factors. One of these is whether the customer or applicant might present additional risks to the bank because of their ties to a high-risk jurisdiction. The UK government considers B to be a high-risk jurisdiction.
- They reviewed the bank's internal guidance to determine whether the bank singled Mr L out, or whether the questions asked are part of its standard process. Having done this, they were satisfied that Metro's questions were in line with the usual process for individuals who were born in, or nationals of, high-risk countries.
- It's not our services role to decide if Metro Bank breached The Equality Act – that can only be decided by a Court.

Mr L disagreed. He maintained that Metro discriminated against him based on his place of birth. He says he completed the account application online and answered all the questions when he visited the branch. So, he should be allowed to have an account.

As there was no agreement, this complaint has 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.

I appreciate Mr L was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what they said about his complaint. I'd like to reassure Mr L that I've considered the whole file and what he's said. But I'll concentrate my comments on what I think is relevant. So, I won't be addressing every point in detail which Mr L has raised in his submissions. My findings will focus on what I consider to be the central issues. If I don't mention any specific point, it's not because I failed to take it on board and think about it, it's because I don't think I need to comment on it to reach what I think is a fair outcome.

Mr L says Metro's decision not to offer him an account is discriminatory based on his place of birth. It's not my role to decide whether discrimination has taken place – that's a matter for the courts. My role is to decide whether Metro treated Mr L fairly and whether its actions were reasonable. In doing so, I must take account all relevant laws and regulations, and what we consider to be good industry practice at the time. So, although it is for the courts to say whether or not Metro has breached the Equality Act 2010, I'm required to take the Equality Act 2010 into account, if its relevant, amongst other things when deciding what's fair and reasonable in the circumstances of the complaint because Mr L says Metro has discriminated against him on the grounds of his nationality, which is a protected characteristic.

Metro, like all banks in the UK, have numerous legal and regulatory obligations which they must fulfil. As has been explained by Metro and the investigator, the reason why Metro asked Mr L to provide information about his link to B is because Metro are obliged to adhere to the regulator – the Financial Conduct Authority (FCA), Know Your Customer (KYC) responsibilities. Metro is entitled and obliged to carry out such checks in order to comply with its legal and regulatory obligations. This applies to both new and existing customers.

Mr L was born in B. And told Metro this So, I'm satisfied that Metro was aware of Mr L's nationality. Metro has shared its internal risk rating for international countries, and B is a high-risk one. This is consistent with what the international body, The Financial Action Task Force (FATF), has rated B as. After noting Mr L's comments regarding B, Metro is entitled to make its own assessment. Various governmental bodies also concluded that B's financial system does pose an enhanced risk. FATF which is an international body responsible for assessing the risks posed by various countries, has placed B under enhanced supervision. And the Council of Europe's Moneyval (Committee of Experts on The Evaluation of Anti-Money Laundering Measures and The Financial of Terrorism) placed B on enhanced monitoring. Also, B's own government recognised it had to make improvements and made a commitment to work with FATF and Moneyval to strengthen the effectiveness of its anti-money laundering and countering terrorist financing regime. So, Metro's assessment of B is fair.

Metro can determine its own risk parameters and who it takes on or keeps as customers. I've looked at its internal risk policy regarding high-risk countries, and note it is consistent with what the UK government and FATF say about B. As part of its internal processes Metro requires nationals of high-risk countries to complete its EKYC process, in order to ensure it complies with its legal and regulatory obligations. I note too that Metro's terms and conditions state it will make various checks to assess whether a customer is eligible for an account. So, I'm satisfied Metro have acted fairly and reasonably when it asked Mr L to complete its EKYC questionnaire as part of its account opening process.

Metro has accepted that the service it provided Mr L when he visited the branch to complete his application fell short. It has said that it could have communicated why it needed the information it requested from Mr L about his name, with more sensitivity. Metro has also acknowledged that it didn't contact Mr L within its usual timeframe of 72 hours, after he made his online account application. To put things right Metro has offered Mr L £100 compensation, which Mr L has declined.

I can understand that the questions Metro asked Mr L about his name would have made him feel uncomfortable, but I'm satisfied that Metro was entitled to ask Mr L about his name as part of its EKYC process. As I don't think Metro has done anything wrong, I see no basis to make an award of compensation.

In summary I realise Mr L will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I won't be telling Metro to do anything more to resolve Mr L'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 L to accept or reject my decision before 12 May 2025.

Sharon Kerrison  
**Ombudsman**