

The complaint

A company, which I'll refer to as W, complains that its business accounts with Metro Bank PLC were closed due to attempted fraud and its banking was offline for 22 days because of administrative errors.

Miss O, who is a director of C, brings the complaint on W's behalf.

What happened

On 2 September 2024, Miss O contacted Metro as she had received a call from a third party pretending to be Metro. They had attempted to persuade her to give them access to W's account to transfer money out of it. Metro blocked the accounts for W and for two other businesses Miss O ran.

Following this Miss O received new cards and pin numbers. And Metro agreed to carry out an investigation of the fraud. For the next week Miss O had to make several calls to Metro chasing matters up as she still had no access to online banking. In the course of those calls she had to ask the adviser to carry out transactions for her. She was told to visit the branch in order to have a 12 digit customer number created for her. But that didn't work and she was later told that the wrong process had been followed.

In its final response Metro said that it had fallen short in the service it had given Miss O. It confirmed that the account would have been up and running by 17 September. Metro paid £100 compensation for the inconvenience caused.

On referral to the Financial Ombudsman Service, our Investigator explained that as the complainant in this case is a limited company, we can't award compensation for distress. They thought that Metro should pay a further £100 compensation.

Miss O was unhappy with this as she felt it overlooked the significant personal distress she had suffered. She said that she continued to have problems with online access for another few days after Metro said it had been resolved. Also she said the compensation paid doesn't even cover the charges for the accounts for the time she wasn't able to access them.

The matter has been passed to me for an Ombudsman's consideration.

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.

This decision concerns the company W. Whilst I appreciate that Miss O runs two other companies affected by this issue, the complaints in respect of these will be dealt with separately.

First of all I must address Miss O's unhappiness that we won't consider compensation for her as she bore the brunt of the stress, frustration, and anxiety caused by Metro's failures. I should explain that my powers to award compensation are limited by statute and by the Financial Conduct Authority's (FCA) complaints handling rules. The complainant in this case is W, a limited company. Miss O makes the complaint as representative of the company, not in her own right. And regrettably a company cannot be said to have suffered distress. This isn't a case of me deciding not to award compensation to Miss O personally, it's that the rules don't allow me to do so. If I did, any award I might make in this context wouldn't be enforceable.

Having said that the company has suffered the inconvenience of its director, Miss O. She had to spend a considerable amount of time trying to sort out the online access. And I accept that, whilst Metro was clearly right to freeze the business accounts of W (and two other companies) to protect them against fraud, it did take a long time to get the online account access back. In that time Miss O had to make several long phone calls and had to carry out banking over the telephone to ensure that charges wouldn't be incurred. Metro also gave her erroneous information about the customer number. From the evidence I've seen I think the accounts were likely back online within just over two weeks. Whilst Miss O tells us that she had continuing problems, Metro has no notes or logs recording this. So I can't say whether she reported it or if they were a continuation of the previous problems.

I do have the power to award financial losses. Miss O reports that there was a delay in paying employees' wages, but there was no actual financial loss because of this. And I haven't seen evidence that any other financial losses were incurred.

Miss O reports that the bank charges amount to more than the £100 already paid to W. I've seen one charge of £30 for W's online access. She had access to the accounts through telephone banking and was able to make debit card payments. Whilst the accounts were offline for two weeks, because of the fraud, it would have initially always likely have taken several days to get them back up and running. So my view is that I won't make an award specifically in respect of the charges, but will consider it as part of the overall award for inconvenience.

In respect of the overall compensation award, I've taken into account all the circumstances. And on the basis that I can't make an award for distress, I think that an overall compensation award of £100, on top of the £100 already paid, is appropriate.

Putting things right

Metro should pay compensation of £100, on top of the £100 already paid.

My final decision

I uphold the complaint and require Metro Bank PLC to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 27 March 2025.

Ray Lawley

Ombudsman