

## The complaint

Mr Z complains that Metro Bank PLC restricted and later closed his accounts without explaining why it had done so. Because he was abroad when the accounts were restricted, he had to return to the UK to resolve things, causing him distress and inconvenience and leading to financial loss.

## What happened

Mr Z had three accounts with Metro Bank. On 28 October four payments totalling £16,000 were made to one of the accounts. Metro Bank restricted Mr Z's accounts while it investigated them. It asked him to provide information about the payments and about the purpose of the account to which the payments had been made.

By this time, Mr Z was temporarily abroad and communication was difficult. He tried to resolve issues over the phone, but then decided instead to return to the UK temporarily so that he could attend a branch and provide what was needed to have the account restrictions lifted.

The account restrictions were lifted on 4 November 2022.

On 6 March 2023 Metro Bank wrote to Mr Z to tell him that it would be closing his accounts on 7 May 2023. The accounts were then closed in line with that notification.

Mr Z referred the matter to this service, where one of our investigators considered what had happened. He thought that the bank's actions had caused Mr Z unnecessary distress and inconvenience and recommended that it pay him £200 in recognition of that, as well as interest on the account balance while the restrictions were in place. Neither Mr Z nor Metro Bank accepted the investigator's recommendations, and so the case was passed to me for further consideration.

I reviewed the case and issued a provisional decision, in which I said:

*I'll deal first with the bank's decision to review certain payments and to restrict Mr Z's accounts while it did so. Banks have certain legal and regulatory obligations when dealing with customers' accounts. They should for example take steps to ensure that accounts are not being used for fraudulent or illegal purposes and to protect both themselves and their customers. That might in some cases mean carrying out reviews, either of the account operation generally or of certain transactions.*

*In some cases banks may be entitled to restrict the operation of an account while a review is carried out; in others they may be obliged to do so. Those restrictions may include suspending certain features, but can also include a complete block.*

*Having reviewed what happened here, I am satisfied that Metro Bank acted reasonably in asking Mr Z about certain payments into his account. They were, as it explained to him, out of character. I believe it acted reasonably too in restricting the account while it sought further clarification from Mr Z.*

*It is of course unfortunate that Mr Z was not in the UK at the time. That made it more difficult for him to deal with the issue. But Metro Bank did provide him with an email address to which he could send the information it had asked for. Mr Z took the view that it would be quicker to return to the UK immediately to sort things out than to try to do so remotely or to wait until he was due to return in line with his original plans.*

*I can understand why Mr Z took that decision, and he may well be right in thinking that, by returning home, he could have the restrictions lifted sooner than would otherwise be the case. It was however his decision to return – at some financial cost – and I do not believe it would be fair to require Metro Bank to meet his travel costs. Its actions in questioning the payments and restricting the account were reasonable; they did not become unreasonable because Mr Z was away from the UK.*

*I note that the restrictions were in place from 28 October to 4 November 2023. Overall, I do not believe that was unreasonable, and nor were there any avoidable delays.*

*I turn then to the closure of the accounts.*

*It is generally for banks to decide whether to provide, or to continue to provide, account services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this service won't usually intervene. I have considered that issue here, and am satisfied that Metro Bank's decision to close Mr Z's accounts was a legitimate one. The bank did not have to tell Mr Z exactly why it had decided to close his accounts.*

*Banks should however give reasonable notice before closing an account. What is reasonable depends on the circumstances, but we generally take the view that two months' notice is reasonable for a personal account. That is the notice period that Metro Bank applied here and is line with its account terms. It provided Mr Z with sufficient time to make alternative arrangements.*

*I note that the investigator took the view that Metro Bank had not sufficiently explained to this service – rather than to Mr Z – why it took the action it did. In my view, however, it was clear from the bank's dealings with Mr Z what its concerns were. I don't believe that any further explanation was needed.*

Mr Z did not accept my provisional decision. He said that the bank had not properly explained what the issue was with his account. It simply invited him to attend a branch – which he could not do as he was abroad. He said too that he thought Metro Bank should cover his travel costs. He asked that I review the case.

### **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 have not however changed my view from that which I set out in my provisional decision.

In my view, it was not unreasonable – initially at least – of the bank to ask Mr Z to attend a branch. That is what it would usually do in similar circumstances. And, once Mr Z explained that would not be possible because he was abroad, the bank told him which transactions it needed to know more about. I accept that did not happen until a few days after the block had been applied, but – as I have indicated – I don't believe the timescales here were unreasonable.

I note that Mr Z feels that he should be compensated for having missed some of his holiday and for his flights. But, as I don't believe Metro Bank acted unfairly in blocking his account in the first place, it do not believe it would be fair to make an award for the consequences of its actions.

### **My final decision**

For these reasons, my final decision is that I do not uphold Mr Z's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 12 March 2025.

Mike Ingram  
**Ombudsman**