

The complaint

S, a limited company, complains that Metro Bank PLC have unreasonably blocked access to their account for an extended period of time. They'd like access to the funds, and compensation. S is represented by their director, Mr I.

What happened

The background to this complaint is well known to both parties, so I will summarise it only briefly here. S holds a business account with Metro. In November 2024 they received a large payment into the account from HMRC. However, several days after this Metro blocked S' account, preventing any further transactions. They asked for information about the funds S received. Since then, the funds have remained in the account.

Unhappy with this Mr I complained to Metro on behalf of S. They responded that they were satisfied they had blocked the account in line with the terms and didn't offer an explanation.

Mr I then referred S' complaint to our service, saying this was affecting S' business and preventing them from trading. He said Metro hadn't adhered to the Financial Conduct Authority's principles of business in acting fairly and disclosing appropriate information. He later submitted information about a dispute with HMRC about the funds paid to S', and that there was a court order preventing access to the funds.

One of our investigators looked into what happened but didn't see that Metro had been unreasonable in blocking the account. She didn't see that Metro needed to do anything further. Mr I disagreed, saying that if Metro are not legally permitted to release the funds, they cannot legally close the account, or continue to rest the funds without a transparent process for withdrawal. But this didn't change the investigator's mind. As no agreement could be reached the 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 I has provided us with a detailed outline of his dispute with HMRC and other parties. But my role here is to consider the actions of Metro, and the dispute with them regarding the blocking of the funds in S' account. So, I will only mention the points relevant directly to the complaint about Metro. If I don't mention a specific point, that's not because I haven't considered it or failed to take it on board, but rather I don't need to, to reach a fair and reasonable outcome. No discourtesy is intended in this.

I should also make it clear that the Financial Ombudsman Service is an informal resolution service, intended as an alternative to the courts. We don't have the power to overrule a court order, and to be frank it's not our role to examine how a court came to its conclusions in issuing an order. I appreciate Mr I feels very strongly about this, but it is not the role of the Financial Ombudsman Service to determine whether an order is lawful or correct.

Metro, like all banks regulated in the UK, have to meet numerous legal and regulatory obligations to meet when providing accounts to their customers. Broadly, these obligations can be described as a duty to monitor account and payment activity for signs of financial harm and financial crime. These obligations may mean that on occasion a bank will need to take a closer look at payments, or how an account is being used. And the bank may feel it necessary to block any further transactions from the account while they do. There is provision for this in the terms of S' account with Metro.

There's no specific obligation on Metro to explain to S why the account had been blocked, or what a review is considering – although the terms say they may do so unless circumstances beyond their control prevent them from doing so. Metro have declined to provide a detailed explanation to S – although they have asked about the HMRC payment into the account, and Mr I has pointed to S' dispute with HMRC directly.

The rules of our service allow us to treat certain evidence in confidence, for example if it involves information about third parties or security procedures. Here Metro have supplied us with further reasoning about their decision to suspend S' account – and I'm satisfied that it's appropriate that this remains confidential. So, I'm sorry to Mr I that I won't detail it in full here, nor will I be directing Metro to explain this to him. But I'm satisfied that the block on the account is reasonable and in line with the terms of the account, and Metro's wider legal and regulatory obligations – including the FCA principles of business highlighted by Mr I.

The account remains blocked – and I'm satisfied that this is reasonable. I'm not persuaded that Metro have done anything wrong by continuing to deny access to the funds in S' account. While I've no doubt this will have an impact on S' business, I don't see that this is something I would reasonably hold Metro responsible for. Because of the nature of the restriction, I don't see there's a reasonable expectation that Metro can provide Mr I with information on whether the funds can be withdrawn. Metro have deducted fees totalling £16.32 since the restrictions were applied. But they have also confirmed they will be refunding these fees to S' account. So, I don't see that they need to do anything further here.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 21 April 2025.

Thom Bennett
Ombudsman