

The complaint

Mr S complains that Metro bank PLC unfairly closed his account.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr S had an account with Metro that he opened in 2014. In early 2025, Mr S and his partner applied to open a joint account with Metro. As part of its account opening process, Metro completed security and credit reference checks.

As a result of these checks Metro decided it didn't want to offer Mr S an account. So, on 27 January 2025, Metro wrote to Mr S to let him know it was no longer willing to offer him banking services. Metro told Mr S it would close his account on 3 February 2025.

Mr S complained to Metro. He said he now had to go to the trouble of finding and opening another account so that he could receive his wages. He also had to reorganise his direct debit which he said was inconvenient and stressful. In response, Metro apologised for any trouble closing the account. Metro said it should have given Mr S more notice that it was closing his account and offered Mr S £100 compensation for any trouble and upset he'd been caused.

Mr S remained unhappy and brought his complaint to our service. Mr S said that he asked Metro why it no longer wanted him as a customer, and he was told that someone else with his details had been added to his banking profile. And Metro had closed his account by mistake.

The investigator asked Metro for more information about the reason it had closed Mr S's account. Metro provided more information to our service. After reviewing everything the investigator said whilst he agreed Metro could close Mr S's account, he didn't think Metro had treated Mr S fairly when it had closed his account with seven days' notice. He said it should have given Mr S more notice, but said Metro had done enough to put things right.

Mr S disagreed with the investigator. He wants to know why Metro don't want him as a customer and says Metro have made a mistake closing his account. He also said £100 doesn't adequately reflect the amount of trouble and upset he's suffered.

As no agreement could be reached the matter has come 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.

Banks and financial businesses in the UK, like Metro, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

Metro is entitled to close an account just as a customer may close an account with it. But before Metro closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Metro and Mr S had to comply with, say that it could close the account by giving Mr S at least two months' notice. And in certain circumstances it can close an account immediately or with less notice. Metro discovered adverse information about Mr S had been loaded by another financial business in 2023. As a result of that information, it decided it didn't want to carry on offering Mr S an account.

I've looked at the terms and conditions together with the information Metro has said it relied on to close Mr S's account with seven days' notice. Having done so, I can't see that Metro had any other concerns about how Mr S was using his account. Metro haven't provided me with any evidence that it suspected Mr S was using his account improperly or illegally. So, I think it would be difficult for Metro to rely on how Mr S was using his account to close it with less than two months' notice.

When I weigh everything up, I'm persuaded that in these circumstances Metro shouldn't have closed Mr S's account in the way that it did. By giving him less than two months' notice and closing it with just seven days' notice. So, although Metro was entitled to close Mr S' account, it should have done so by giving him two months' notice.

I'm persuaded given the reasons above that this would've been a fair application of its terms and conditions. I should also add that having looked at all the evidence, I'm satisfied that Metro would still have closed the account – even if it should have given Mr S more notice. So, I won't be asking Metro to reopen the account. I know Mr S has said he believes Metro made a mistake in deciding to close his account and that someone else has been added to his banking profile. I've not seen any evidence to support what Mr S has said.

Overall, I'm persuaded that Metro caused Mr S trouble and upset to the extent that he had to go to the trouble of finding another account quickly so he could receive his wages. He also had to rearrange his direct debits, which would have been stressful. I am pleased to see Metro has now accepted it didn't treat Mr S fairly. And it has offered to pay Mr S £100 compensation. I consider that to be a reasonable response and the sort of award I'd have made had it not already been suggested.

It's rarely straightforward to decide what represents an appropriate level of compensation for non-financial loss given its inherently subjective nature. Mr S, and no-one else, experienced these particular problems. I assure him I'm mindful of that.

I know Mr S feels the settlement Metro has now agreed to overlooks the gravity of their actions and the consequences. But as our investigator has explained we are an informal dispute resolution service, and our awards may differ to those made in any litigation. Taking everything into account and in light of our general level of awards I'm satisfied the compensation offered by Metro is fair and reasonable in all the circumstances of this complaint. So, I won't be asking Metro to increase this amount.

My final decision

Metro Bank PLC has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances. So, if it hasn't already done so, my decision is that Metro Bank PLC should pay Mr S £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 November 2025.

Sharon Kerrison
Ombudsman