

## **The complaint**

A company that I will refer to as B, complains that Metro Bank PLC blocked and closed its accounts. B is also unhappy with the service it received from Metro.

Mr B, a director, brings the complaint on behalf of B.

## **What happened**

B had business accounts with Metro.

In December 2023, B attempted to send a payment to a customer, who I will refer to as Mr S, who had a residential address based in Russia. To comply with its legal and regulatory obligations Metro blocked B's accounts and reached out to Mr B to ask him about the payment.

In response, Mr B told Metro that the transaction was a rental payment for a property located in the UK. Metro reviewed what Mr B had said and decided to close B's accounts. Following this Mr B told Metro that Mr S no longer resided in Russia. Metro spoke to Mr B again and he agreed to cease sending payments to Mr S. Metro then lifted the restrictions on B's accounts and told Mr B that it wouldn't be closing B's accounts.

Mr B then told Metro that future payments would still need to be made to Mr S. So, Metro placed restrictions on B's accounts again. Following this Mr B told Metro that Mr S primarily resided in two different countries. And he provided paperwork to support his explanation. Neither of the countries were Russia. Metro reviewed everything Mr B had provided and then removed the restrictions on B's accounts.

Despite this Metro concluded that B did not meet the bank's commercial requirements prompting a recommendation to exit the banking relationship. On 15 February 2024, a decision was made to close B's accounts and on the 30th of April 2024, a formal notice to close was issued providing 60 days' notice with a closure date of 1 July 2024.

During this period, Mr B raised further concerns, including issues with non-functioning banking cards and financial losses resulting from the initial restrictions, such as having to cancel a holiday and losing payments from a client. He also expressed dissatisfaction with the lack of contact and support from his business relationship manager.

Mr B complained to Metro. He said Metro had been negligent and hadn't explained why it had blocked B's accounts. He said Metro's actions nearly caused his business to shut down and Metro have shown a complete lack of responsibility given how important the accounts were to run his business. Mr B also said that Metro had ruined his holiday as he had to spend time trying to sort out access to B's accounts.

In response, Metro said it hadn't done anything wrong when it had blocked and closed B's accounts. However, it accepted that its communication with Mr B should have been better.

It said Mr B's local business relationship manager hadn't responded adequately to Mr B's attempts to sort things out, so another manager had to intervene. To put things right Metro apologised to Mr B for any inconvenience this had caused him.

Mr B remained unhappy and brought B's complaint to our service where one of our investigator's looked in what had happened.

The investigator asked Metro for some more information. After reviewing everything the investigator partly upheld Mr B's complaint. They said Metro didn't do anything wrong when it had blocked and closed B's accounts.

But they said Metro didn't communicate with Mr B as well as it should have done. They said Metro should do more than apologise to Mr B for the inconvenience this had caused. The investigator said that Metro should pay B £100 compensation.

Metro agreed. Mr B didn't. He said £100 compensation isn't enough to make up for the amount of trouble he has suffered. And the loss of his holiday.

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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Metro has treated B fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr B's submissions.

I'll deal first with Metro's decision to review B's accounts. As the investigator has already explained, Metro has a wide variety of legal and regulatory obligations it must follow when providing accounts to its customers. These obligations are ongoing and are not only relevant when an account is opened. It appears Mr B is aware of these obligations and accepts this position.

Metro has said it was blocking access to B's account due to UK financial sanctions and asset freeze requirements. Sanctions can be very broad and relate to countries, individuals, trade and transactions. Metro is expected to take measures to comply with current sanctions, which means it has extensive things it needs to be aware of and monitor. Sanctions are just one of the many things Metro must take into account to ensure it's doing

what it should. And, if it didn't review accounts and the activity taking place on them, it could risk serious penalties. So, having a sanctions policy or other policies to mitigate against potential risks isn't by itself wrong. This applies to both new and existing customers regardless of how many years a customer may have held an account with Metro. And regardless of any other account held by a customer.

Given the obligations Metro must follow, and looking at all the circumstances of this complaint, in particular Mr B's responses to Metro's review, and his links to Mr S, who Metro believed resided in a sanctioned country, I'm satisfied that it was reasonable and proportionate for Metro to review B's account and ask Mr B to provide information about the payment it was making to Mr S. The terms and conditions of the account also make provision for Metro to review an account.

I appreciate that Mr B had to go to the trouble of obtaining documents including a power of attorney and explaining the transaction relating to Mr S. But the information Metro was asking Mr B to provide is fairly standard information that banks, and other financial businesses are required to have in order to adhere to its legal and regulatory responsibilities. It's not in my remit to determine what questions Metro should ask its customers to ensure it adheres to its responsibilities. And what activities it should or shouldn't undertake.

Metro is also able to set their own procedures, including how they wish to conduct their reviews. Metro has explained that when requesting additional information this can prompt a further request and clarification, which can lead to some back-and-forth communications with customers. This resulted in Metro restricting B's account twice. I don't find this unreasonable. Especially as Mr B provided further information regarding Mr S. And it's right that Metro should review everything Mr B provided. Placing a further block on B's accounts allowed Metro time to decide how best to react to the extra information Mr B provided to them. So, I can't reasonably say that Metro acted unfairly or unreasonably in doing so.

#### *Closure of B's accounts*

Mr B says Metro closed B's accounts unfairly - he's said Mr S no longer resides in a sanctioned country. He wants Metro to explain why it no longer wants B as a customer and to put things right he wants Metro to reopen B's accounts.

Metro's decision to close B's accounts was made shortly after it reviewed its account and spoke to Mr B about how he was using the accounts. As a general rule Metro isn't obliged to continue offering an account to a customer if it doesn't want to, this is a commercial decision and not something this service can get involved with, as this would impinge on their freedom to decide who they want as a customer. That being said it wouldn't be fair or reasonable for Metro to suspend or close B's accounts outside the terms and conditions of the accounts or without valid reason – which includes mitigating any potential risk to Metro and to its customers. I need to be satisfied that Metro treated B fairly and closed the accounts in line with the terms and conditions of the account.

I accept that Mr S isn't subject to any sanctions. And no longer resides in Russia. Instead, Metro's argument is B's ongoing connection to Mr S Metro took the view that B may facilitate transactions through its Metro account that go against international sanctions, which could lead to Metro facing serious penalties. Metro wasn't prepared to accept this risk that this may breach sanctions. The question I need to consider is whether it's reasonable for Metro to think this. Having reviewed all the evidence shared with me by Metro I'm satisfied it is.

Mr B has pointed out that Mr S doesn't reside in Russia - in other words that money coming into and out of B's accounts and how there were being operated carried no more risk than any other customers accounts. Whilst I understand the point Mr B is seeking to make here,

Metro has its own risk policy where there is a reasonable belief that having B as a customer would lead to a breach. That is it can to some extent exercise its own judgement and make its own assessment about the risks involved in having B as a customer. Given the wide range of possible breaches of laws or regulations across many different jurisdictions, that does not seem unreasonable. I've also considered the information Metro has shared with our service in confidence, and having done so I think it was reasonable for Metro to take the view that continuing to provide B account services might constitute a breach – even if there was a plausible argument that it might not.

The terms and conditions allow Metro to close an account if it gives at least two months' notice. And in some cases, it can do so immediately. Here Metro gave B the full notice Metro. It wrote to Mr B on 30 April 2024 (after it had decided to continue its review) and told him it had decided to close B's accounts by 1 July 2024. So, Metro have complied with this part.

I appreciate Mr B would have found it inconvenient to have to rearrange B's accounts elsewhere. But having reviewed everything, I've seen nothing to suggest Metro's decision around closing B's account was unfair. On balance when considering Metro's wider regulatory responsibilities and all the information available to me, I find Metro had a legitimate basis for closing B's accounts. So, it would not be appropriate for me to ask Metro to pay B compensation since I don't find Metro acted inappropriately. And I won't be asking Metro to reopen B's accounts.

I can see that Mr B finds it frustrating that he hasn't been given a detailed explanation about why Metro reviewed and closed B's accounts. Whilst I acknowledge Mr B's pursuit to get absolute clarity, about why Metro ultimately decided to close B's accounts, Metro do not have to be explicit in their reason, so, I find no error was made here.

I appreciate Mr B wants to know more. He's asked for details of Metro's investigation and decision making processes. But where Metro closes an account in these circumstances, it doesn't need to give reasons – and nor would it be appropriate for me to tell Metro to share its reasons with Mr B. And Metro is under no obligation to share its policies, with him, much as Mr B would like to know.

Finally, Mr B has said the service Metro provided during the review and closure process was very poor. Mr B says Metro didn't take on board the impact of their actions, and B's business relationship manager didn't deal with his complaint and keep him updated about what was happening. Mr B says as a result he had to make unnecessary trips to branch and phone calls, which took him away from running his business.

Metro has accepted the investigator's view that its communication, with Mr B fell below the standards it expects. Because of this the investigator said Metro should pay Mr B £100 compensation for the inconvenience this caused. I appreciate Mr B doesn't think this is enough to cover the time he spent trying to sort things out and the service he received. He has also said he lost out on his holiday. However, I should point out that this complaint has been brought by Mr B on behalf of B a limited company, which is a separate legal entity. So, I can't award any compensation for any losses or inconvenience caused by Metro's poor service to Mr B personally.

On balance, having looked at all the evidence and circumstances of this complaint, I think £100 is fair compensation. So, I won't be asking Metro to do anything further to resolve B's complaint.

### **My final decision**

For the reasons I've explained, my final decision is that I uphold this complaint in part. To put things right Metro Bank PLC should the following:

- Pay B £100 for the inconvenience this matter has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 11 September 2025.

Sharon Kerrison  
**Ombudsman**