

The complaint

Mr K complains Metro Bank PLC unfairly closed his account and provided poor service.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mr K opened a Metro account in December 2024. Following an internal review of the account Metro wrote to Mr K on 29 January 2025 explaining the account would close on 5 February 2025. The account was restricted during this time. Metro explained this was in line with the account terms and conditions, and that it had concerns the security of Mr K's account had been compromised.

Mr K raised a number of concerns about the service he received and Metro's decision to close his account. Throughout January and February 2025 there were multiple calls between Mr K and Metro. Mr K said his calls were disconnected or not answered, and his vulnerabilities weren't properly recorded and factored into the service provided by Metro.

Metro reviewed Mr K's concerns and issued a final response on 13 March 2025. In its response, Metro said it had acted fairly in closing the account as this was done in line with the account terms and conditions. Metro said that Mr K had experienced issues in transferring his balance when Mr K attended branch, and this was due to checks Metro needed to conduct to ensure it was dealing with the genuine account holder. Metro said it was satisfied the correct process was followed by branch staff. It also explained the calls Mr K had with Metro were handled reasonably, with a fair level of service provided.

Mr K remained unhappy, and referred his complaint to our service. Mr K reiterated his concerns regarding the service provided and the decision to close his account. In its submissions to our service Metro maintained its position on its decision to close the account, but upon listening to one of the calls Mr K had with its staff, it agreed the service it provided should've been better. In particular Metro said the additional needs Mr K had highlighted should've been addressed and further clarity should've been given regarding his complaint.

Metro highlighted that Mr K had been paid £50 for service issues in relation to a separate complaint that was connected to the same issues, and that it would offer Mr K another £100 for the failings it had identified.

An Investigator reviewed the evidence available, and in summary, made the following findings:

- Metro's decision to close the account was reasonable in light of its concerns and the account terms.
- The £100 offered for the service issues is fair.

Mr B remains unhappy with the outcome of his complaint. The matter has now been referred to me to make a final decision in my role as Ombudsman.

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.

Firstly, I am sorry to see Mr K has had cause for complaint. I'd like to reassure Mr K that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

I must also highlight that Mr K raised a number of concerns with Metro. Many of these covered the same issues relating to the closure of his account and customer service issues. So although Mr K may have been given various complaint references, Metro has confirmed the final response it issued on 13 March 2025 covers the key points Mr K raised. I will now deal with the overarching issues in turn.

Account block and closure

As a UK financial business, Metro is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Metro needs to restrict, or in some cases go as far as closing, customers' accounts. The terms and conditions of Mr K's account with Metro also allow it to review, block and close the account in specific circumstances.

In Mr K's case, Metro has explained to this service its reasons for blocking and then closing the account. 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 Mr K fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I must also highlight Metro is entitled to end their business relationship with a customer, as long as this is done fairly, doesn't breach law or regulations and is in keeping with the terms and conditions. I should also add that each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't close an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

After taking the above into consideration, and reviewing the available evidence in detail, I am satisfied the account review, block and closure were all carried out appropriately.

In its letter to Mr K explaining its decision to close his account, Metro explained he had until 5 February 2025 to make alternative banking arrangements. The account was blocked in this

time, so I consider this akin to an immediate closure. The immediate closure of an account can have severe consequences, and the decision to close an account in this way should not be taken lightly. I don't underestimate the distress and inconvenience the immediate closure had on Mr K. However, based on the evidence I've seen I'm satisfied Metro took this action fairly. I also can't see that there were any undue delays in its review. So I don't think it would be appropriate to compensate Mr K for the impact the immediate closure had.

Customer service issues

A key issue for Mr K is the service he received from Metro. Mr K says he was provided with poor service by Metro during phone calls and when he attended branch. In particular Mr K says he informed Metro of his additional needs and these weren't supported.

Following Metro's decision to close his account I can see Mr K contacted Metro multiple times to query its decision. I can see Mr K was frustrated with the lack of information provided and didn't feel like his concerns were being addressed. Mr K also asked for letters to be sent via email, but they were sent by post. Mr K also said his vulnerabilities and needs were properly recorded by Metro. I've considered Mr K's points, and I understand why he feels like the service he received was poor, particularly in relation to the call he had on 17 January 2025. Metro accepts that it didn't provide the level of service required, and that during this call Mr K's needs should've been dealt more effectively.

As well as the calls, Mr K says when he attended branch, he was unable to access his funds. Metro says that due to the review that was taking place the branch staff were unable to assist Mr K. I appreciate his frustration with this but based on the information I've seen I'm satisfied Metro acted reasonably here and I can see Mr K was able to access his funds shortly after his branch visit.

Metro has offered Mr K an additional £100 in recognition of its shortcomings. I understand Mr K doesn't consider this to be enough. Reaching an award for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact on the consumer can be difficult to determine. Our awards are not intended to be punitive for businesses, and their fundamental aim is to recognise the impact on a consumer where there have been shortcomings. Having considered the timeline of events and the impact on Mr K, I think the compensation offer of £100 is fair and in keeping with this service's approach to redress.

I'm sorry this isn't the outcome Mr K hoped for. While the amount of compensation isn't what he was looking for, I do hope my final decision provides some clarity around why I won't be asking Metro to take further steps than it has already outlined.

Putting things right

In full and final settlement Metro Bank PLC should pay Mr K £100 in compensation for its service failings.

My final decision

My final decision is that I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 7 November 2025.

Chandni Green

Ombudsman