

The complaint

Mr A complains Metro Bank PLC unfairly restricted and closed his account and provided incorrect information about how he could access his funds, causing him inconvenience and costs.

What happened

Mr A held a current account with Metro Bank.

In October and November 2024 Mr A received multiple payments from himself and a sizeable number of third parties with payment references that stated either “course fee” or “tuition fees”. He then exited funds to another account he holds with a different bank.

Metro Bank held concerns about the activity on his account and restricted it. Their fraud team asked Mr A for information and evidence to explain the payments. He sent them an email stating that all the payments he made were on behalf of students for their fees and accommodation, and he provided screenshots in relation to the payments.

Metro Bank weren’t satisfied with what Mr A provided and decided to close his account by giving two months’ notice. In their closure notification they said he could withdraw funds in branch, but this was incorrect as the account remained restricted. The notice also referred to receiving a fraud report and that details might be shared with a fraud prevention agency – which Metro Bank later confirmed was incorrect.

After receiving the notice Mr A says he rang Metro Bank and was told he could withdraw his balance in a branch in Coventry, but when he tried to find the branch it wasn’t there.

In their first final response letter dated 20 December 2024 Metro Bank awarded Mr A £50 for incorrectly telling him he could withdraw funds in branch in their notice. They said no Metro Bank branch ever existed in Coventry and they weren’t upholding this part of his complaint. They also found their fraud team acted professionally. Mr A said he didn’t receive this letter until later on. I note the letter said he would need to withdraw funds in branch.

Mr A says he went to a branch in Birmingham (prior to receiving the letter) only to be told the restriction on his account had been lifted and he could access his remaining funds without needing to go to a branch. He saw the £50 had credited the account and he transferred out his remaining balance via mobile banking to his other bank account on 30 December 2024.

Our investigator didn’t uphold Mr A’s complaint. In summary they found:

- Metro Bank acted fairly and in line with their legal and regulatory responsibilities when restricting Mr A’s account to carry out a review.
- Their questions to Mr A about the source of funds in his account were reasonable, and it was understandable why they weren’t satisfied by his response.

- Their decision to close the account was in line with their terms and conditions.
- Metro Bank acknowledged they sent the wrong wording in their notice to close communication about receiving a fraud report and that his details might be reported to a fraud prevention agency. There wasn't evidence to show they had reported him.
- Their payment of £50 was fair for providing incorrect information that Mr A could withdraw funds in branch at that time. This would have caused him inconvenience, but there wasn't evidence to show he was told he could go to a branch in Coventry.

Mr A disagreed with the outcome. He thinks £50 isn't enough to make up for the service he received. And he insists he was told incorrect information by Metro Bank about the Coventry branch over the phone.

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've decided not to uphold Mr A's complaint. I'll explain why.

Banks have very important legal and regulatory obligations to meet when providing accounts. Not implementing those obligations carries with it heightened risk of both criminal and civil liability. Broadly speaking they need to monitor accounts in order to prevent and detect harm. To these ends they will carry out reviews which are either event driven or periodic, and it's common for them to restrict access to an account until a review is completed. The result of a review may also be to end their relationship with a customer, which is what happened here.

I've considered Metro Bank's reasons for carrying out a review and restricting Mr A's access, and I find they were reasonable and in line with their responsibilities and the terms of the account. As part of their review they asked Mr A questions about the influx of payments he received from himself and third parties, which I find were reasonable, particularly given the number of payments in and out of the account and the payment references.

Mr A told Metro Bank the payments from third parties represented student payments for fees and accommodation. But very unusually he later told our investigator that he never made any payment using the account on behalf of a student. Instead he said two payments were received on behalf of his cousin (a student) to pay for their accommodation and other fees, and the other payments he received were money he was owed or lent from friends. Given the contradiction in what Mr A has said, I'm not persuaded by his explanation. I find it doubtful much of the payments Mr A received represented money owed by or lent to friends given the multiple payments references to course fees, and it remains unclear what the payment activity represented.

Considering the above circumstances and unresolved concerns, I find Metro bank acted within their commercial discretion by deciding to close Mr A's account and that their decision was in line with the account terms.

Metro Bank paid Mr A £50 for incorrectly telling him he could withdraw funds in branch, which led to a wasted journey. I appreciate he feels he should receive more compensation. He has referred to the notice to close containing incorrect information about receiving a fraud report and the reference to a fraud prevention agency, not being told his account had been

unblocked before he visited another branch, and that he was told to go to a non-existent branch in Coventry.

I've considered carefully what he has said, and it's possible he was given incorrect information about a branch existing in Coventry, although Metro Bank haven't been able to provide a record of a call where this was said. I also understand why he would have been concerned by the content of the notice to close letter and not being made aware later that he could withdraw funds without needing to go to a branch. I appreciate too that Metro Bank made an increased offer of compensation via our service to Mr A prior to our investigator reaching their view, which he rejected. But considering all the circumstances of this complaint and weighing the doubt surrounding the use of the account and the payments in and out of it, I don't find awarding further redress for additional inconvenience or stress caused would be a fair outcome to his complaint.

My final decision

My final decision is I have decided to not uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 December 2025.

Liam King
Ombudsman