

The complaint

K, a limited company, is represented by its director, who I'll refer to as "Mr S".

Mr S complains that Metro Bank PLC unfairly closed his business account.

What happened

Earlier this year, Metro Bank wrote to Mr S advising it had decided to close his account in seven days. Mr S says the relevant email from the bank went into his junk mailbox, so he didn't notice the email until several days later – leaving him with only a few days to prepare for the closure of his account.

Mr S complained because he feels Metro Bank failed to provide him with adequate notice, pointing to the terms and conditions of his account, which set out that the bank would provide two months' notice in the event it decides to close Mr S's account. Mr S says this caused disruption to his business as he couldn't access his funds, he had to rearrange essential payments and was compelled to cancel a business loan that was due to be paid into his account.

Mr S is unhappy that he was left without banking facilities for some time, impacting his business with third parties and affecting his business' credibility. He also points out that this caused him stress. Mr S says the bank should have notified him of its decision via a telephone call or via secure message.

Metro Bank's response explained that it had acted correctly. Remaining unhappy, Mr S referred his complaint to this service for an independent review. As part of its submissions, Metro Bank recognised that a seven-day notice period would have made it difficult for Mr S to arrange alternative banking facilities. So it offered Mr S £150 compensation for the inconvenience it caused to him and his business.

Our investigator issued their outcome, explaining that Metro Bank's offer was fair. Mr S doesn't agree, pointing to the distress and inconvenience the bank's decision caused him. So the complaint has been passed to me for a final review.

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.

Having done so, I share the investigator's conclusion that £150 compensation is fair. I'll explain my reasons.

Mr S is concerned about Metro Bank's method of notifying him of its closure decision. He says the bank's email went into his junk mail folder, so he didn't notice it until a few days later – leaving him with little time to prepare for the closure of his account. I appreciate it would have been distressing for Mr S to come across this email only a few days before his account was due to close. But I can't fairly hold Metro Bank responsible because the email

ended up in Mr S's junk mailbox. Metro Bank has evidenced that it sent the email on 7 May to the correct email address. The bank has also submitted a copy of a letter that was sent to Mr S's address on the same day. So I'm satisfied the bank took reasonable steps to notify Mr S of its decision.

It's generally for financial institutions to decide whether to provide or continue to provide banking facilities to a particular customer. Each financial institution has its own criteria and risk assessments for deciding whether to open or close accounts, and providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there is a very good reason to do so, this service won't usually say that a financial institution must keep a customer or require it to compensate a customer who has had their account closed.

Metro Bank is entitled to close an account. However, in doing so, it must ensure it complies with the terms and conditions of the account. The terms of the account say that Metro Bank can close Mr S's account by giving him at least two months' notice. In certain circumstances, the bank can also close an account immediately. Metro Bank provided Mr S with seven days' notice, which the bank says is typical of its process in such circumstances. The bank has also shared more detail with us about its decision-making process, which, unfortunately I can't share due to its commercial sensitivity. Having considered this, I'm satisfied the bank had fair cause to close the account.

However, Metro Bank hasn't demonstrated why a seven-day notice period was fair in the circumstances. Although the bank has shared why it decided to close the account, I'm not persuaded that a seven-day notice period was reasonable under the circumstances the bank describes. Metro Bank has acknowledged its failing here and the inconvenience this would have caused Mr S – offering £150 compensation.

I appreciate Mr S feels strongly that additional compensation should be awarded for the level of inconvenience he's described. But I don't agree. Mr S says his new account with an alternative bank didn't begin until 1 July. He also says he was able to open an account elsewhere in the interim from 23 May. So it seems to me that, although he was left without banking facilities for a short period, he was able to mitigate the impact on his business by limiting the duration he was in this position for. And although Mr S points out that his business was disrupted and he was unable to go ahead with a loan, I haven't seen anything that persuades me that his business incurred a loss.

I note that Mr S has shared evidence of K's credit score, indicating that K has experienced a detriment because of Metro Bank's actions. However, the information Mr S has provided only refers to K's history with Metro Bank. So it doesn't persuade me that K experienced a loss or detriment because of the bank's failing.

Mr S also points to the distress he personally experienced as cause to increase the compensation figure. However, as the eligible complainant here is Mr S's company – K – it's not within my remit to consider the impact of Metro Bank's actions on Mr S personally. Mr S's position as director provides that he's able to act on K's behalf. But as a legal entity, K cannot experience distress in the way Mr S describes. So I can't consider making an award for the distress Mr S experienced directly. Therefore I'm satisfied that the compensation award that Metro Bank has offered is fair.

Overall, I'm satisfied Metro Bank's decision to close Mr S's account was fair. As I've explained, I agree that a seven-day notice period was unreasonable in the circumstances, and I'm satisfied that the bank's offer to pay £150 compensation fairly settles this complaint.

My final decision

For the reasons explained above, I'm upholding this complaint. Provided K accepts, Metro Bank PLC should settle this complaint by paying K £150 compensation.

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

Abdul Ali
Ombudsman