

The complaint

Mrs B has complained about Metro Bank PLC's ("Metro") handling of a CHAPS payment made from her account.

What happened

Mrs B refinanced a very large loan. Mrs B arranged for the proceeds of the new loan to be paid into her Metro account on Friday 23 May 2025. Once the money was in her Metro account, she then wanted to make a CHAPS payment on the same day, so that she could repay the outstanding balance on her existing loan.

Mrs B checked with Metro if there was a cut off time to make the CHAPS payment, and was told that it was 4.30pm. Mrs B made it clear that the payment couldn't be delayed because if it was, her previous lender would charge her £287.60 per day, until her debt was repaid.

The proceeds from her new loan only reached her account at 4.29pm on 23 May 2025. Despite this, a member of staff still processed the CHAPS payment for Mrs B on the Friday afternoon, but unfortunately as the cut off time had been missed, the payment wasn't made until the following Tuesday 27 May 2025 – resulting in her being charged £1,150.58 in interest.

Mrs B complained to Metro about its handling of matters as she felt it was responsible for the delay in the CHAPS payment being made. In response Metro didn't uphold the complaint.

After referring the complaint to this service, one of our investigators assessed the complaint and they upheld the complaint in part. In summary, whilst they didn't think that Metro was at fault for the initial delay in the payment, when the payment was eventually made, they concluded that a delay in processing the payment on 27 May 2025, led to Mrs B unfairly incurring an extra of day interest on her existing loan. So they recommended that Metro reimburse Mrs B for one day's worth of interest she was charged on her existing loan.

Metro confirmed that it accepted the investigator's conclusions, but Mrs B didn't. So the matter was referred for an ombudsman's decision.

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 reviewed this complaint, I partly uphold this complaint for broadly the same reasons that the investigator gave. I will explain why.

Firstly, all parties seem to accept that Metro should reimburse Mrs B for a day's worth of interest on her existing loan, due to the delay in processing the CHAPS payment on 27 May 2025. Therefore, all that is left for me to consider is whether it's fair to say that Metro should reimburse Mrs B for all of the interest she incurred since 23 May 2025. In the circumstances, I don't think that it is.

Mrs B was transferring a substantial amount of money, and given the balance of her existing debt, I can fully appreciate why Mrs B wanted that paid off in full, as soon as possible. But it had been made clear to Mrs B that there was a 4.30pm cut off to process a CHAPS payment.

Unfortunately, the money for the CHAPS payment only arrived in Mrs B's account at 4.29pm. I recognise that the amount of time it took for the money to arrive was outside of Mrs B's control. But equally, I can't reasonably say that Metro is at fault because the money arrived in her account so late in the day.

I understand that Metro had already started the process of setting up the CHAPS payment, before the money arrived. Given the urgency of the matter this seems reasonable. But for the payment to be made that day, the CHAPS payment needed to be *completed* by 4.30pm. Mrs B says that the member of staff who'd set up the CHAPS payment went to serve another customer when the money was received. I appreciate that this would've been very frustrating for her given the urgency of making the payment. But when looking at the audit trail that Metro has provided, I can see that it still took the member of staff around 6 minutes to process the CHAPS payment, after the money had been received. The payment then needed to be authorised by a manager as well. So even if the member of staff processed the CHAPS payment immediately upon the money's arrival, there was clearly not enough time left to complete the transaction before the cut off time. Furthermore, even if the person who'd keyed in the CHAPS payment had done so quicker, the payment was still not complete as it (understandably, given the amount being paid) still needed to be approved by a manager as well.

So although I have a great deal of sympathy for Mrs B in this matter, as far as I can see, the payment was delayed largely because the money funding the payment was received into Mrs B's account too late for Metro to complete the CHAPS payment before the 4.30pm cut off time. Because of this, I don't think it's reasonable to say that Metro should therefore be held responsible for all of the additional interest that Mrs B unfortunately ended up being charged.

I note that Mrs B has raised other points. For example, she said she was given wrong information when it was suggested to her that, if she couldn't make the payment on the Friday, she could do it on the Saturday. This was wrong, as CHAPS payments can only be made on a bank's 'working' day, and Saturday is not generally deemed to be a working day for Banks - even though some branches may be open.

Mrs B also says that she left the branch on the Friday assured that the payment would still be made that day, despite her missing the deadline to process the payment. I can fully appreciate Mrs B's disappointment when she later found out the payment had in fact not been made that day. And it didn't help that when Mrs B later phoned Metro, a member of staff told her the cut off time is actually 4pm – when I'm satisfied it was actually 4.30pm, as she'd originally been told.

But Mrs B would've been in the same situation she unfortunately found herself in - even if she'd been told that the payment hadn't been made in time before she left branch, or that it couldn't be made on the Saturday. In either event, Mrs B would've still been in the same situation, with the large sum of money remaining in her Metro account, with no way of transferring the full amount until the next working day – which due to a bank holiday, was unfortunately the following Tuesday. And this was because it arrived too late into her Metro account for the payment to be made in time.

Therefore, I don't think that Metro should be held responsible for all of the interest that Mrs B incurred after 23 May 2025. That said, given that all parties agree Mrs B should be reimbursed for one day's worth of interest on her existing loan, I see no reason to disagree with this.

Putting things right

To put things right, I require Metro to pay Mrs B £287.60, to cover one day's worth of interest she incurred on her existing loan.

My final decision

Because of the reasons given above, I partly uphold this complaint and require Metro Bank PLC to do what I have outlined above, to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 10 March 2026.

Thomas White
Ombudsman