

The complaint

A is a company which has been represented in bringing this complaint by its director, whom I'll refer to as Mr M. A's complaint is that Metro Bank PLC unfairly restricted and then closed its account.

What happened

On 15 April 2024 Mr M received a payment of £300 to his personal account. Metro Bank contacted Mr M to tell him that the payment had been reported as fraudulent and to ask him to provide some more information about it. Mr M explained that the payment had come from his cousin, although his cousin had asked a third party to make the transfer. Mr M provided the bank with evidence which he said demonstrated that.

Metro Bank restricted both Mr M's and A's accounts and, on 7 November 2024, it wrote to A to say that it would be closing its account one week later.

Mr M complained on behalf of A. Metro Bank said that the information Mr M had provided was not enough to satisfy it that the payment was genuine and that it had therefore acted fairly and in line with the account terms and its legal and regulatory obligations.

Mr M referred the matter to this service, where one of our investigators considered what had happened. She indicated that she thought Metro Bank had acted fairly and did not recommend that the complaint be upheld. Mr M did not accept the investigator's assessment and asked that an ombudsman review A's complaint.

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.

Banks have various legal and regulatory obligations, some of which are to ensure that the information they hold about their customers is accurate and that they understand what accounts are being used for. In order to meet those obligations, banks may sometimes need to review individual transactions or the wider use of accounts. And in some cases it may be appropriate to restrict or block accounts while a review is carried out.

I am satisfied that Metro Bank acted appropriately in this case, both in asking Mr M about the payment of £300 to his account and in restricting A's account while it considered that payment. Mr M's account and A's accounts were closely linked, since he controlled both of them. And it appears as well that Mr M paid £300 into the company account shortly after he received the payment in April 2024.

It is generally for banks to decide whether to provide, or to continue to provide, account services to any particular customer. They can exercise their commercial discretion in such matters and, as long as that discretion is exercised legitimately, this service won't usually intervene. I have considered that issue here and am satisfied that Metro Bank's decision to

restrict and then to close A's account was a legitimate one. The bank did not have to tell Mr M or A exactly why it had decided to close the account.

Banks should however give reasonable notice before closing an account. What is reasonable depends on the circumstances, and in some cases it may be appropriate to close an account at very short notice or even immediately. In this case, I agree with the investigator that it was reasonable of the bank to close A's account in the way it did.

Mr M has said that he has found it difficult to open a new account and that he believes Metro Bank may have placed a fraud marker against his name. I don't believe that it has done so, however. And, although I accept that the bank's actions have caused A significant inconvenience, I cannot make an award in respect of that, since I believe the bank acted fairly.

Finally, I stress that my decision concerns A's complaint only. I make no comment on the bank's handling of Mr M's personal account.

My final decision

For these reasons, my final decision is that I do not uphold A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 26 February 2026.

Mike Ingram

Ombudsman