

The complaint

C, a limited company, complains that Metro Bank PLC failed to cancel an application for a business account when instructed to. The account was opened and entered its unarranged overdraft, leading to adverse information on C's credit file.

What happened

Miss M, C's director, began an online application for a business account with Metro in May 2024. The account carried a monthly fee. Miss M encountered issues during the process and the application wasn't completed. One of Metro's business managers contacted Miss M to offer support. Miss M agreed to visit a branch to complete the opening process.

Miss M says she made several visits to branch, and that, on her final visit, she told staff she didn't want C's application to continue if the account couldn't be opened that day. The account wasn't opened by the deadline Miss M said she gave branch staff and so she proceeded with an application through a different provider. However, C's Metro application continued and the account was opened shortly after.

Metro sent a welcome letter to the address provided by Miss M. It set out that the account was now open. But Miss M also received emails around the same time, and later, which invited her to continue with C's Metro application, implying an application hadn't been completed. Meanwhile, as the account's monthly fee wasn't being paid, it entered an unarranged overdraft. Metro continued to write to the address provided by Miss C regarding the debit balance, but she states that, due to an issue with her post, she didn't receive any letters.

Miss M has said she was under the impression the application hadn't proceeded, as per the instructions she said she gave in branch. However, around a year later, upon checking C's credit report, she discovered adverse information on C's credit file and complained to Metro on C's behalf.

Metro didn't uphold the complaint. It said it could find no record of a request to cancel the application, and staff at the branch Miss C had used were unable to confirm receipt of a closure request, either. As a gesture of goodwill, Metro refunded the charges to the account and arranged for it to close so no further charge could be taken.

Dissatisfied, C's complaint was brought to our service. Our Investigator looked into things but didn't uphold the complaint. He hadn't seen any evidence to persuade him the application ought to have been cancelled. He found the emails Miss M received about an ongoing application related to the online application she'd made, which was separate from the one in branch. And while he was sympathetic to the reason for Miss M's postal issues, he wasn't persuaded Metro knew, or had reason to know, about them.

Miss M, on behalf of C, wasn't satisfied with this response and asked for the case to be decided by an Ombudsman. She explained she engaged with the branch in person, rather than in writing, because she said their written responses were inconsistent and delayed. She said she explicitly stated she didn't want the account to open unless it was opened that

same day.

As no agreement could be reached, the case was passed to me to decide.

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 won't be upholding C's complaint. I realise Miss M will be disappointed with this outcome, and so I've set out my reasoning below.

I would first like to explain that my role here is to think about the individual circumstances of this complaint and decide whether Metro did something wrong which caused C – the complainant – to lose out. If I think it did, I can then consider what – if anything – Metro should do to set matters right. In reaching my conclusions, I've taken an independent view of the circumstances, and have considered all relevant rules and regulation, as well as what I believe to be good industry practice. But I have ultimately decided this case on what I believe to be fair in all the circumstances of the complaint. And while I can understand why Miss M believes Metro should do more for C, I can't fairly say it should.

In deciding this case, I have considered the various items of conflicting evidence. Whilst Miss M states she was clear in that she didn't wish for the account application to proceed, Metro's staff don't recall this instruction. Post-opening date, Miss M received emails asking whether she wished to continue with the application, but a letter had already been sent to her confirming the account was open. I've seen several emails between Miss M and Metro, and although Miss M queried the expected opening date, none of the emails I've seen show she asked to cancel the application.

As I've been presented with conflicting evidence, I've thought about what is most likely to have happened, and what I believe to be reasonable expectations on the parties involved. It's not in dispute that there is no written evidence of Miss C's instruction to stop the application process. Miss C has said she engaged with Metro in branch because it was slow to respond. But I'm mindful the complainant in this case is a limited company. As such, given the potential for verbal miscommunication, I might have expected a limited company to confirm, in writing, an intention to stop its application.

I'm mindful Miss C had been in regular contact with Metro by email, that the application had been ongoing and neared completion. Further, that Miss M had returned to branch to provide additional information at Metro's request. From the information I have, Metro appeared to be fully under the impression that Miss M intended for the application to continue. As a result, I'm not persuaded it was more likely than not (which is the test I must apply) that Metro was given clear instructions that C no longer required the account.

Turning to C's credit file, firms should ensure their reporting to the credit reference agencies is an accurate reflection of their customers' credit history. In C's case, the account entered its unarranged overdraft as a result of the monthly fee not being paid. And so I'm satisfied with Metro's actions in this regard. From the letters Metro has shown me, it wrote to C at the address Miss M provided, setting out the overdue fees and the consequences of non-payment. I therefore think Metro did as I would have expected it to in the circumstances.

It's unfortunate that Miss M didn't receive Metro's letters, and I accept her testimony and supporting evidence about the problems she had with receiving post. But I've seen no evidence to persuade me that Metro knew, or ought to have known, she was experiencing problems in that regard. And Metro was under no obligation to send its correspondence in

multiple formats. As a result, I think Metro acted fairly in its communication with Miss M and its reporting of C's credit history.

I'm pleased to see Metro refunded the fees to C's account as a gesture of goodwill. However, as I haven't been persuaded Metro got things wrong in the circumstances of this complaint, I don't think it needs to do anything else.

My final decision

My final decision is I do not uphold this complaint.

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

James Akehurst
Ombudsman