

The complaint

Mr P complains on behalf of T about the service received from Metro Bank PLC (“Metro”) in relation to its due diligence checks. In particular, Mr P is unhappy that despite visiting a store to comply with a letter he’d received, a stop was applied to T’s account and Metro still closed the account after he was told there were no issues regarding the account.

What happened

Following a customer due diligence review and T’s account appearing to be inactive for trading activity for many months, Metro requested information to complete its due diligence checks by email on 27 February 2025. In the email to Mr P Metro advised that if the information wasn’t forthcoming it could lead to T’s account being closed.

Following a further email and having not heard from Mr P Metro called him on 5 March to confirm he’d received the information requests – which he had - and ask he send the information in.

But Mr P was not satisfied of the caller’s identity having concerns it was a fake caller and so Mr P was given the option of calling Metro on a separate number on the back of his card or visiting a store. Mr P says he advised he would resolve the matter in store over the next week or so.

Following still not receiving the information requested from Mr P, Metro took the decision to close the account and issued a 90-day notice of closure on the account on 1 April 2025.

But as the account still held a positive balance after this period and couldn’t be closed, Metro placed a restriction on the account on 2 July 2025 until Mr P could attend branch to withdraw funds.

Mr P says he attended a store but was informed that there were no issues on his account despite having received a notice of closure and so thought the correspondence was a scam and raised a complaint on 7 July.

Despite Metro not having a record of Mr P’s visit, it apologised for any mis-information provided and credited T’s account with £50 compensation.

Mr P was dissatisfied with this and so brought his complaint on behalf of T to this service. Mr P wants T’s account reopened.

Metro has confirmed that the account is technically closed but as it is showing a positive balance Mr P will need to visit a store to arrange for the balance to be transferred. Metro is unwilling to reopen the account as the closure date has already passed, but has stated if Mr P is willing to answer the questions put to him and provide details of the medical issues he’s had it can review this and see if it can offer new banking facilities.

One of our investigator’s looked into the concerns raised by Mr P on behalf of T but didn’t think Metro had done anything wrong in requesting the information it did and when it didn’t

receive this and thought Metro's actions in restricting and then closing the account were fair. They thought the £50 compensation for any mis-information given was fair and in-line with this services guidelines and so didn't think Metro needed to do anything more.

Mr P disagreed. He says following receipt of Metro's letter he visited a store as he didn't want to provide detailed confidential information over the phone. Mr P says he was told there were no issues that needed resolving and is not after compensation, but rather wants the account reopened. Mr P has asked 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.

It might help by me explaining my role is to look at the problems Mr P has experienced with his business T's bank account and see if it has done anything wrong. If it has, I would seek – if possible - to put the business back in the position it would've been in if the mistakes hadn't happened.

Firstly, it should be noted as we are not the regulator, I don't have the power to tell Metro how it needs to run its business and I can't make Metro change its systems or processes – such as when it requires it to conduct due diligence checks or how they are carried out or what information will satisfy these requirements. This is simply not something I can get involved with. Nor can I say what procedures Metro needs to have in place to meet its regulatory obligations. We offer an informal dispute resolution service, and we have no regulatory or disciplinary role.

That said I don't think it is unreasonable for it to carry out diligence checks from time to time on customers in order to ensure it meets regulatory requirements. I appreciate this does cause some administrative inconvenience to Mr P on behalf of T as he does still have a business to run, but I'm sure Mr P understands this is needed not only to protect the banks against criminal activity, but also their customers.

Nor do I think Metro have been unreasonable in the information it asked for such as if T is still trading or switched banks or if the account will be used moving forward. I appreciate Mr P says the information requested was both detailed and confidential, but businesses are required to hold certain information about their customers which can change over time with regulations, as well as ensure the information is up to date to satisfy itself that it is complying with regulatory obligations. Unless Mr P provides the information to Metro about T it has no way of knowing if the information is correct or clear up any confusion as only Mr P can confirm this.

I understand Mr P had some concerns regarding the authenticity of the call from Metro's agent but given Mr P had received the emails and was given the option of calling Metro back or attending a store – which he said he'd do – and the need for a timely response to comply with regulatory obligations, I don't think Metro acted unreasonably when following still not receiving this information it issued a 90-day notice of closure letter.

I understand Mr P believes that the information requests weren't legitimate and says that is why he didn't provide the information and I appreciate Mr P says he prefers to sort matters in person and that he was wrongly advised in store about the status of T's account. But as I've got no evidence this took place before Metro issued its account closure letter, I'm not persuaded the outcome would've been any different.

I say this as Mr P had been given plenty of time to provide the information requested and

informed of the consequences of not providing it. And as he didn't provide the requested information Metro took the action it said it would and was entitled to take. So I can't say Metro has acted unreasonably here in progressing the closure of T's account.

Furthermore, I don't think Metro did anything wrong following the notice expiry when it applied a stop to T's account due to it having a positive balance as this allowed Mr P time to retrieve the funds following which the account will be closed properly.

I appreciate that Mr P wants the account reopened and isn't after any compensation. But Metro are under no obligation to do this and as it has offered to review the situation and Mr P's circumstances around the time of the information request to see if it can offer new banking facilities, as well as compensating T £50 for any inconvenience, I think this is fair and I'm not going to ask Metro do anything more.

My final decision

For the reasons I've explained I do not uphold Mr P's complaint brought on behalf of T against Metro Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 4 February 2026.

Caroline Davies
Ombudsman