

The complaint

Miss J complains that Metro Bank PLC didn't provide her with the required 60 days' notice to reduce the interest rate on her account.

What happened

Miss J says she noticed on 30 June 2025 that the interest had reduced on her account despite her viewed interest rate remaining the same. She says she was told by Metro Bank on 1 July 2025 that it hadn't provided her with the 60 days' notice to reduce the rate which had reduced on 19 June 2025. In summary Miss J would like Metro Bank to pay the interest rate for that period less the rate she received from a different provider when she transferred her money.

Metro Bank accepts it ought to have sent Miss J notice of the interest rate change. It has paid the previous rate from 19 June 2025 until the transfer on 30 June 2025 which it has rounded up to £140. And it has also paid £100 compensation.

Miss J brought her complaint to us and our investigator thought the offer fair and reasonable. The investigator thought Miss J ought to have been given the notice in April 2025 which would have meant she would have kept her money in the account until 19 June 2025. The investigator thought overall Metro Bank's offer meant she received the higher interest rate for longer and that the compensation fairly reflected the inconvenience in transferring the money.

Miss J doesn't accept that view and says she should receive interest for 60 days from when she was told.

My provisional decision

I issued a provisional view on this complaint and said that in order to change the interest rate Metro Bank ought to provide 60 days' notice which it did on 1 July 2025.

I looked at Metro Bank's account terms and conditions which made clear that it can reduce an account interest rate by providing 60 days' notice. I said if Metro Bank had provided Miss J with that notice, then it would have been fully entitled to reduce the interest rate on her account. But I said the converse was also true, if it did not provide notice then it was not entitled to change the interest rate.

I was satisfied Metro Bank provided notice of the interest rate change when Miss J contacted it on 1 July 2025 and in normal circumstances would have been able in line with the terms and conditions to reduce the interest rate 60 days later. I was also satisfied that would have been the fairest approach in these circumstances where Metro Bank made a clear error. I appreciated Metro Bank told us on 30 July 2025 that it "aims" to tell its customers about interest rate changes, but I was satisfied it was a requirement of the terms and conditions. And has to be provided.

I explained that the difficulty here was that Miss J transferred her money when the interest

rate reduced from about 5.91% to .9% to another account that paid 4.55%. I had no doubt Miss J was attempting to mitigate her loss, but I made clear that the fairest approach here would have been for Metro Bank to provide the 60 days' notice on 1 July 2025. In those circumstances I had no doubt Miss J would not have moved her money and waited until the 60-day period expired.

There was no doubt Metro Bank's mistake caused Miss J distress and inconvenience, but I was satisfied it fairly apologised and paid a fair compensation award of £100. I didn't consider this mistake justified further compensation for that part of the complaint.

My provisional view was that Metro Bank should pay interest on the balance for 60 days from 1 July 2025 less the interest Miss J did receive from the other account provider. I could see Metro Bank had both interest rates and ought to be able to calculate the amount. I said no doubt it will reduce that amount by the £140 previously paid.

Miss J accepts my provisional decision and Metro Bank has calculated that it should pay a further £414.70.

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 have come to the same conclusion that I reached in my provisional decision and for the same reasons.

Putting things right

Metro Bank should pay Miss J £414.70.

My final decision

My final decision is that I uphold this complaint and direct Metro Bank PLC to pay Miss J £414.70 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 17 March 2026.

David Singh
Ombudsman