

The complaint

Mr L complains that Metro Bank PLC unfairly closed his bank accounts.

What happened

I am aware that Mr L had several accounts with Metro and has raised complaints with this service about the closure of them. This decision will deal with the closure of Mr L's sole accounts ending 7361, 7035, 7057, 7124 and 7146. Mr L's complaints regarding his other accounts will be addressed separately.

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In August 2022, following a review Metro decided to close Mr L's accounts. Metro wrote to Mr L on 15 August 2022, giving him two months' notice that he needed to make alternative banking arrangements.

Mr L complained to Metro about the closure of his accounts and asked Metro to explain why it no longer wanted him as a customer and to review its decision to close his accounts. Mr L said he suspected Metro's decision was based on his involvement with a number of companies, some of which were facing legal action, which had been reported in the media.

In response, Metro didn't provide Mr L with much information. But it told Mr L that following a review it had decided Mr L fell outside the bank's risk appetite, so it wasn't willing to revise its decision to close his accounts. The bank said it hadn't done anything wrong and had acted in line with the terms and conditions of the accounts when it had reviewed and closed Mr L's accounts.

Mr L wasn't happy with the bank's response and brought his complaint to this service. He said Metro had treated him unfairly based on what had been reported in the media and hadn't provided a proper explanation for why it no longer wanted him as a customer. He said Metro's actions had caused him a great deal of trouble and upset and impacted how he manages his finances. He explained that he had to go to the trouble of opening new accounts in the UK which didn't offer him the same levels of service as the accounts he held with Metro and were more expensive.

One of our investigators reviewed the complaint. She said that Metro hadn't done anything wrong when it had closed Mr L's accounts and had closed them in line with the terms and conditions of the accounts. Mr L disagreed. He wants Metro to provide the reasons it closed his accounts. He doesn't believe they have acted in line with the terms of the accounts and wants Metro to reopen his accounts.

As no agreement could be reached the matter has come 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.

I can see Mr L feels very strongly about his complaint. That's clear from what's he's said to us and to Metro. Whilst I appreciate Mr L's frustration and how this matter has impacted him, it's important to point out that the only thing in question here is whether Metro has done what it should have done. And I think it has. I'll explain why.

Banks and other financial businesses are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

In order to comply with its legal and regulatory obligations, it's not unusual for a financial business to periodically review its customers' accounts, even if the account holder has been a customer for some time. Having looked at all the evidence and information, I'm satisfied that Metro were complying with their legal and regulatory obligations when it reviewed Mr L's accounts. So, I can't fairly say they've done anything wrong.

Following a review, banks sometimes decide to close an account. Banks are entitled to decide for themselves whether to do business or continue doing business with a customer. Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to open an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Before Metro closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Metro could close the account by giving at least two months' notice. I've seen the notice to close letter that Metro sent Mr L in August 2022, giving him the full notice period, so I'm satisfied that they have complied with this part.

I've gone on to consider whether Metro's reason for closing the account was fair. In doing so, I appreciate that Metro is entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Metro should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

I've considered carefully what Mr L has said regarding his suspicions about the reasons behinds Metro's decision. Mr L has explained that he was involved in a number of companies which are the subject of court proceedings which has been reported in the media. After considering all the available evidence and information I haven't seen any evidence to show Metro reviewed and closed Mr L's accounts for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its discretion. It follows then that I've not seen any evidence that would lead me to conclude Metro treated Mr L differently because of the court proceedings or news articles. The reason Metro gave for closing the accounts is that they were outside the bank's risk appetite. That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial business decision.

I understand of course why Mr L wants to know the exact reasons behind Metro's decision, other than what he's been previously been told. And I can see that Mr L has asked Metro to explain itself on several occasions. I appreciate it can't be pleasant being told that you are no longer wanted as a customer. But Metro doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr L the reasons behind the account review and closure, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr L detailed information. And it wouldn't be appropriate for me to require it to do so.

In summary, I understand Mr L will be unhappy with my decision but having reviewed all the evidence and circumstances of this complaint, I'm satisfied that Metro has acted in line with the terms and conditions of the accounts and as such I can't conclude that it has treated Mr L unfairly when it closed his accounts. So, I won't be asking Metro to reopen the accounts.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 8 January 2024.

Sharon Kerrison
Ombudsman