

## **The complaint**

A company, which I'll refer to as "R", complains that Metro Bank PLC (Metro) provided incorrect information about what was needed to unblock its account after a security block was put on it. It also complains that R made an error in processing a payment instruction.

R is represented in this complaint by its director, Mr T.

## **What happened**

Metro's systems flagged potentially suspicious activity on R's account, so Metro put a restriction on the account in accordance with its usual processes. Two days later, Metro said one of R's directors would need to visit a branch of Metro and reset his details in order for the block to be released. He did this the following day and was told it could take up to 24 hours for the block to be lifted.

When the block hadn't been removed the following day, Mr T phoned Metro, which suggested he visit the branch to resolve the issue. When he did so, it turned out that R should have been told that all three signatories to the account would need to visit the branch in order for the block to be lifted. They then did so, and the block was removed the next day.

A couple of weeks later, there was a further problem when R gave Metro a telephone instruction to make a payment. The payment wasn't processed correctly, and Mr T had to call Metro again to chase it up. The payment was processed later that day.

Mr T says Metro's service was poor. He says it wasted a significant amount of company directors' time, which affected the running of the business.

Metro accepts that it could have provided better service, and it's credited R's account with £250 to apologise. Mr T doesn't consider this to be enough. He believes £6,800 would be a fair amount to compensate it, based on the directors' hourly rate of £300.

One of our investigators considered R's complaint, but didn't think it should be upheld. In summary, he thought Metro had been reasonable to place restrictions on the account. But he accepted that R's directors had had to spend more time resolving the matter than they would have if they'd been correctly advised at the outset. He said he hadn't seen anything to show that there was a financial loss to R as a result of Metro's service. He accepted that R and its directors had experienced some inconvenience. But he thought that the £250 offered by Metro was reasonable to reflect this.

R disagreed with the investigator's view, so the complaint's been passed to me.

## **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've reached the same conclusion as the investigator, and for similar

reasons.

Metro Bank put the block on the account in accordance with its security procedures. The issue here is that it took longer for the block to be lifted, and resolving the situation involved more time on the part of R's directors, than it should have done. This was because Metro initially gave incorrect information about what needed to be done.

It's important to bear in mind that this is R's complaint. And although a company can't suffer "distress", it can experience inconvenience as a result of a bank's actions or failures.

In the end, the block was lifted a day later than it would have been if R had been told correctly at the outset that all three of the account signatories would need to visit a branch. I can understand Mr T's frustration that extra phone calls were necessary, and that one of the signatories ended up having to leave an important client meeting to visit a branch a second time before the matter was resolved. And while some inconvenience was bound to follow from the block being placed on the account, I accept that Metro caused R some avoidable, additional inconvenience.

I also accept that R was caused further inconvenience when, a couple of weeks after the issue with the account block was resolved, Mr T had to phone Metro to chase a payment instruction that hadn't been processed properly. Following the call, the payment was processed promptly.

I need to decide how much compensation it is fair and reasonable to require Metro to pay to reflect the additional inconvenience that I accept that R experienced here.

I acknowledge that Mr T says that the fact that one of the directors had to leave a client meeting is likely to result in loss of business income. And he says the time spent dealing with the issues with the bank account could have been spent instead generating fee income for the company. So he considers compensation should reflect the directors' hourly rate and the time spent.

In this sort of situation, we consider the overall impact the bank's errors had on the complainant, rather than compensation based on an hourly rate, as Mr T has argued should happen here. While I accept that dealing with the situation would have taken the directors away from R's day-to-day activities, I'm not persuaded that I can fairly conclude, based on the information provided, that it caused a loss of business such that a separate award for financial loss ought to be made.

Taking everything into account, I'm satisfied that the £250 already paid by Metro is fair to reflect the inconvenience its mistakes caused to R. So I can't fairly require it to do more to resolve the complaint.

### **My final decision**

My decision is that the compensation that Metro Bank PLC has already paid to R is fair. So I don't require it to do anything further to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 15 September 2023.

Juliet Collins  
**Ombudsman**