

The complaint

Mr A - in his capacity as director of a limited company (who I'll call S), complains that Metro Bank PLC restricted S' company current account without notification.

Mr A is represented in this complaint by his wife – Mrs A. But for ease of reading, I'll refer to Mr A and S throughout this decision.

What happened

The circumstances of this complaint aren't in dispute, so I won't repeat everything in detail here.

But in summary, in early January 2023 Metro restricted the use of S' current account. Mr A says this led to several consequences including direct debits being returned unpaid resulting in the disconnection of the gas and electricity supply, having to pay S' employee's wages from his own personal funds and a credit payment received from a third-party wasn't returned as requested.

Mr A referred his complaint to our service when he first realised S' account had been restricted which was before he'd complained to Metro. This matter has continued throughout 2023 and Mr A says it's caused him and his wife distress and inconvenience and affected his health having previously suffered from a serious medical condition.

Our investigator contacted Metro. It responded to say that S's account was restricted as an Invoice Finance Agreement - provided to S by separate subsidiary limited company, was in breach of the terms and conditions. So, it didn't agree that it had done anything wrong when it restricted S' account.

Our investigator considered what had happened. He said that he couldn't look at the issues relating to the Invoice Finance Agreement. But, given the wider circumstances, he didn't think Metro had acted incorrectly when it restricted S' account as this had been done in line with the account terms and conditions. However, he did think Metro had acted unfairly in continuing to debit S' company current account with account fees when the account couldn't be accessed. He recommended that Metro refund the account fees applied to S' current account since the restriction had been in place.

Metro agreed to the investigator's recommendation. But Mr A didn't accept the outcome. He said that the financial loss and distress and inconvenience caused hadn't been addressed. As agreement wasn't reached, the complaint has been passed to me for a final 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.

Mr A has provided a considerable amount of information in relation to this complaint and I'm aware I have only summarised the circumstances of the complaint above. So, I'd like to reassure Mr A that I have read and considered his correspondence in full. And I hope the

fact that I do not respond in a similar detail here will not be taken as a discourtesy. As an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to consider the crux of the complaint.

Having done so, while I appreciate Mr A's strength of feeling about what happened with S' account - overall, I've come to the same overall conclusion as the investigator. I'll explain why.

Firstly, I think it's important to set out the remit of this decision. This decision solely relates to S' company current account. But, from what I've seen, Metro's decision to restrict the account stems from issues relating to a linked Invoice Finance Agreement. As the finance agreement was provided to S by a separate limited company, I can't comment specifically on what happened with that finance agreement within this complaint. But I can refer to it in relation to how it impacted S' current account.

As I understand it, the crux of the complaint about S' company current account is that Metro didn't provide notification that the account would be restricted. And that Metro has continued to apply account fees although the account is not able to be used in the normal way.

I've seen that – in October 2022, Metro wrote to S giving three months' notice of its intention to terminate the Invoice Finance Agreement. In these circumstances, I'm persuaded that Metro had concerns about how the finance agreement was being used. And, while the Invoice Finance Agreement was provided by a separate subsidiary limited company, I'm also persuaded there is a link between the finance agreement and S' company current account.

Section 13.2 of Metro's business account terms and conditions – which Mr A would have agreed to when S' company current account was opened, says:

'For any of the reasons below we may:

- *suspend, stop or reduce a service, facility or an account we provide*
- *recall or not make a payment;*
- *refuse to follow, or ask for confirmation, before following an instruction;*
- *delay (or refuse) opening or closing your account; or*
- *delay (or refuse) withdrawals or payments to or from your account or paying you interest'.*

Given the wider circumstances surrounding the Invoice Finance Agreement, I don't find that Metro acted unfairly when it suspended S' company current account. And, as the account terms don't stipulate that notice has to be provided when an account is restricted, I'm not persuaded that Metro did anything wrong or acted unfairly when it didn't provide S with written notice of its intention to do so.

I note Mr A has mentioned the distress this matter has caused him and Mrs A and the impact it's had on his health. And I'm sorry to hear about Mr A's health concerns. But the eligible complaint here is S, not Mr and Mrs A personally. Limited companies like S are corporate bodies, and so are not capable suffering distress. If I thought Metro had restricted S' account unfairly, I can award compensation for any inconvenience caused to S. But, for the reasons given above, I'm not persuaded it did anything wrong.

However, like the investigator, I find it was unfair for Metro to continue to charge for an account S could no longer effectively use. So, I'm satisfied that its fair and reasonable that

the account fees charged to S' account from when the current account was restricted to be refunded.

My final decision

For the reasons given above, I uphold S' complaint.

Metro Bank PLC should now refund all the account fees charged to S' current account from the date the account was restricted.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 14 January 2024.

Sandra Greene
Ombudsman