

The complaint

Mr L complains Metro Bank PLC (Metro) allowed his account to go overdrawn without any overdraft facility being in place.

What happened

Mr L says in late May 2023, he noticed his bank account with Metro was going into an overdrawn position, something that had happened on previous occasions. Mr L says when he spoke to Metro it couldn't provide him with a clear explanation why his account had gone overdrawn and suggested it may be an issue with an online payment provider he has an account with. Mr L says Metro told him it couldn't provide any further details until it had seen a running statement which could take a few days to obtain.

Mr L says he then arranged a three-way conference call with the payment provider and Metro and in that call Metro agreed to refund him £20 to put his bank account back into credit, but it still didn't provide a clear explanation of why his bank account went overdrawn.

Mr L says he has made a number of phone calls to Metro over this matter and some of those calls weren't returned – Mr L wants Metro to properly investigate the reason why his bank account is going into overdraft and to pay compensation for the trouble and upset this has caused him.

Metro says it apologised to Mr L as its agents should have asked more questions about the complaint before closing it off nor should it have entered into a three-way conference call and feedback has been given to the staff involved. Metro says the £20 paid to Mr L's bank account was a goodwill gesture to move the bank account out of arrears and not a compensation payment, which may have caused the confusion here.

Mr L wasn't happy with Metro's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says Mr L's bank account didn't go overdrawn due to any banking error made by Metro. The investigator pointed out it is Mr L's responsibility to ensure he has sufficient funds in his bank account to meet any debit card payments he makes, and Mr L shouldn't expect Metro to update his bank account balance instantly after he authorises a debit card payment.

The investigator explained to Mr L once he has authorised a debit card payment he is agreeing to those transaction being debited to his bank account, albeit these can be presented a few days later by the merchant.

Mr L didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

When looking at this complaint I will consider if Metro were at fault for allowing Mr L's bank account to go overdrawn and if it explained to him why his bank account was going into an overdrawn position that day.

Both Metro and Mr L have provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything said – I have. But it's just that I don't need to comment on each individual point in order to reach a decision on what's fair and reasonable.

The first thing to say here is Metro have accepted it could have handled Mr L's complaint a little better here, but it's not the role of this service to scrutinise Metro's complaints process or to tell Metro how it should deal with complaints more widely.

Mr L's complaint centres around the fact his bank account was going into an overdraft position and Metro failed to explain to him why, even though it refunded him with £20 to take his bank account back into credit.

From the information I have seen the reason why Mr L's bank account went into overdraft in late May 2023 was due to a payment presented by an online payment provider for £19.45. During the initial phone call Mr L had with Metro the agent tries to explain the fact that payments like these aren't always presented for payment on the day of the transaction. So, while perhaps Mr L may not have been happy with that explanation as he felt it should be presented when he authorised the payment, that's not something Metro can control – that will depend on the merchant presenting the payment.

What seems to have happened here is Mr L immediately raised a complaint before the matter was fully investigated, which in all probability added to the time it took to respond to him.

It's fair to say in an attempt to sort out the overdraft position Metro agreed to credit Mr L's bank account with £20 as a goodwill gesture, which on reflection may have confused matters as Mr L seems to have taken this as a compensation payment. Metro have also accepted it perhaps shouldn't have held a three-way conversation with Mr L and the online payment provider as this did little to clarify matters.

So here while Metro could have perhaps tried to reiterate the reasons why the transactions had created an overdrawn position, as it had in the earlier phone call, rather than taking this matter through the complaints process, it has apologised for that and fed back this to its agents.

The fact remains, although Mr L may not agree, it is his responsibility to manage the balance on his bank account and while he was under the impression all debit card transactions are debited from his bank account instantly, that is not the case and he would need to ensure he has funds available to cover all the transactions he makes on his bank account, bearing in mind the timing of the presentation of these may differ.

So here Metro have paid a good will gesture of £20 to Mr L when in fact no bank error had been made and given that it has apologised for the issues surrounding the closing of his complaint and provided feedback to those staff involved, I am satisfied that is sufficient here.

While Mr L will be disappointed with my decision, I won't be asking anymore of Metro.

My final decision

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 10 January 2024.

Barry White
Ombudsman