

## **The complaint**

Ms D and Mr S complain about the service they received from Metro Bank PLC when trying to open a joint business account. In particular they are unhappy Metro requested additional identification from Ms D. They say the account should be opened on the information already provided.

## **What happened**

On 25 August 2023 Mr S and Ms D visited a branch of Metro to initiate the opening of a joint business deposit account having been told previously that the application could be started and completed on the same day. During the application process Mr S and Ms D were informed that additional checks were necessary before finalising the account and that they would receive a call when the account was ready to be opened.

After not receiving the call back as expected Mr S contacted Metro Bank on 1 September. Mr S was told that Metro required additional document from Ms D such as her passport as when carrying out its checks she had been flagged as a victim of fraud.

Mr S was unhappy about the inconvenience this caused especially considering the time they'd spent already attending the appointment and raised a complaint with Metro. Mr S believes Metro was questioning his and Ms D's integrity and that additional information wasn't necessary.

Metro accepted that the service provided to Mr S and Ms D was below its standard and that it should've proactively contacted Mr S and Ms D and kept them informed about the progress of their application and offered £100 as a gesture of goodwill and had the credit search removed from their file. Metro explained its account opening process and that it still requires further documents to verify Ms D's ID to open the account if still wanted.

Mr S and Ms D were dissatisfied with this and brought their complaint to this service.

Mr S says Ms D was a victim of fraud over five years ago and this shouldn't impact the account opening process.

One of our investigators looked into Mr S's concerns and thought that Metro's request for additional identification from Ms D was based on its internal requirements which we don't have the authority to alter. But they didn't think it unreasonable that Metro request additional documentation as Metro is obliged by law and regulation to undertake these checks. They thought the £100 goodwill payment was a fair way to settle the complaint and that if the still want to open the account they will need to provide the documentation requested.

Mr S and Ms D disagree, they say Metro's procedures are unreasonable and have asked for an ombudsman's 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.

I hope that Mr S and Ms D won't take it as a discourtesy that I've condensed their complaint in the way that I have. Ours is an informal dispute resolution service and I've concentrated on what I consider to be the crux of the complaint – our rules allow me to do that.

And the crux of their complaint is regarding the service they received from a Metro when attempting to open a joint business account. In particular, they are unhappy with Metro's request for further ID from Ms D and don't believe this to be reasonable or necessary.

It might be helpful for me to say here that, as we are not the regulator, I cannot make the Metro change its policies or procedures – such as how accounts are opened with it or what ID is required. We offer an informal dispute resolution service and we have no regulatory or disciplinary role.

My role is to look at problems that Mr S and Ms D have experienced and see if Metro has done anything wrong. If it has, I'd seek to put Mr S and Ms D back in the position they would've been in if the mistakes hadn't happened. And we may award compensation that we think is fair and reasonable.

So the first question I have to ask is was it reasonable for Metro to request further ID from Ms D when her credit report showed a fraud marker.

And I don't think Metro's actions were unreasonable. As I've already explained above it's not for me to tell Metro how to run its business, but I would expect Metro to have policies and processes in place to protect it and its customers against fraud – and I think most would agree and understand that.

Banks have a variety of ways to help them meet regulatory obligations regarding knowing your customer. One such way is checking the customer's credit report. Credit reports provide important financial information about potential customers and if adverse information shows up on one – as in Ms D's case - I don't think it's unreasonable that the bank takes further steps to mitigate any potential risks. Having such systems and tools would be pointless if banks ignored them. So when there were concerns about Ms D's identity, I don't think it unreasonable that Metro ask for further documentation.

I appreciate given Ms D was a victim of fraud some time ago Mr S didn't think providing further documentation such was necessary, but it is not for him to determine what Metro needs to do to verify Ms D's identity and satisfy its procedures. And as Ms D and Mr S were unwilling to provide further documentation, I don't think Metro is unreasonable in not progressing the account application.

I accept Mr S and Ms D have been inconvenienced by this, but sometimes life requires one to spend time dealing with administrative matters – such as here. So, as I haven't seen any evidence to suggest Metro hasn't followed its procedures in requesting further documentation I don't think Metro treated Mr S and Ms D unfairly.

But that is not to say Metro has done everything right. Metro set the expectation that it would contact Mr S and Ms D regarding the opening of the account and failed to do so or keep them informed about what was happening. This meant Mr S had to spend some time chasing up on the matter – a matter that is important to him. And in doing so he was given frustrating news that further work was required to open the account when he thought they had done everything they needed to do.

To compensate for this Metro has already offered Mr S and Ms D £100 which I think is fair for the inconvenience caused to Mr S by Metro's failure to keep them informed about their account application. So on this basis I'm not going to ask Metro to do anything more. If Mr S and Ms D wish to accept Metro's £100 compensation they should now get in touch with Metro to facilitate this.

### **My final decision**

For the reasons I've explained, I think Metro Bank PLC has done enough to settle Mr S and Ms D's complaint and I'm not going to ask it do anything more.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D and Mr S to accept or reject my decision before 15 April 2024.

Caroline Davies  
**Ombudsman**