

The complaint

Mr B complains that Metro Bank PLC unfairly blocked and closed his bank account.

What happened

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 November 2022, Metro blocked and reviewed Mr B's account after his account was accessed from overseas. Following this, Metro contacted Mr B and asked him some questions about whether he was in Russia, and if he was how long he intended to stay and the reasons for his visit. In response, Mr B told Metro that his wife was in Russia and had probably accessed the bank's mobile banking app on her phone. And he said that the reason for his wife's visit was none of Metro's business.

Following this, Metro asked Mr B to visit his local branch and told him that his account would remain blocked. Mr B visited a local branch but said when he did the staff said they couldn't help him or remove the block from his account. Mr B then sent several emails to Metro over a period of just over a month asking what he needed to do to remove the blocks.

In December 2022, Metro told Mr B he needed to visit a branch with his wife. In response Mr B said he had visited a branch on four occasions both on his own and with his wife, but each time he did he was told the branch couldn't help him.

In February 2023, Metro decided to close Mr B's account. Metro wrote to Mr B, giving him two months' notice that he needed to make alternative banking arrangements. Following this Mr B opened a new bank account and Metro released his closing balance in March 2023.

Mr B complained to Metro about the block and closure of his account. He said Metro hadn't been clear with him when telling him what he needed to do to unblock his account. He said he had gone to a branch on more than one occasion but each time he did he was told by staff that they couldn't help remove the block on his account. So, he'd wasted time visiting the branch and then had to spend time going back and forth writing emails to Metro trying to sort things out.

In response, Metro said it had noticed that Mr B may have recently accessed his account from a country which the bank deemed to be outside of its risk appetite – namely Russia. The bank said it hadn't done anything wrong and had acted in line with the terms and conditions of the account, and its legal and regulatory obligations when it had reviewed, blocked and then closed Mr B's account.

Mr B wasn't happy with the bank's response and brought his complaint to this service. He said Metro hadn't treated him fairly when it blocked his account and hadn't been clear in its communications with him about what he needed to do to get the block lifted. He also said Metro haven't provided a proper explanation why it blocked his account. Mr B said Metro's actions caused him inconvenience and upset because he had to go to the trouble of opening

a new bank account so that he could receive his salary, and manually move his direct debits, all of which had a knock on effect on his finances causing him to fall behind with his bill payments. So, he wants Metro to pay him compensation.

One of our investigators reviewed the complaint. She said that Metro hadn't done anything wrong when it had blocked Mr B's account and said it had closed it in line with the terms and conditions of the account. However, she thought Metro should have told Mr B that he needed to go into branch with his wife, much sooner than it did. She said if it had done so it's likely Mr B wouldn't have made wasted trips to branch. So, she said Metro should pay Mr B £75 for the trouble and upset this caused him.

Metro agreed. Mr B also said £75 compensation was reasonable for Metro's lack of clarity in its communications. But he didn't think Metro had treated him fairly when it had blocked his account and denied him access to his funds.

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.

Mr B was happy to accept £75 compensation, recommend by the investigator to resolve one aspect of his complaint – namely Metro's poor communication. So, I don't need to address this any further.

I'll start by setting out some context for why Metro blocked and reviewed Mr B's account. 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.

As the investigator has already explained, Metro has a wide variety of obligations it must follow when providing accounts to customers. These obligations are ongoing and are not only relevant to when an account is opened. In Mr B's case, Metro reviewed his account in line with its risk policy – this was prompted when Mr B's wife accessed his account from Russia, which at the time was subject to UK sanctions.

Sanctions can be broad and relate to countries, individuals, trade, and transactions. Metro is expected to take measures to comply with current sanctions, which means it has extensive things it needs to be aware of and monitor as part of its legal and regulatory obligations.

Metro was notified that Mr B's account had been accessed from Russia. Given the need to comply with its obligations, Metro blocked Mr B's account and contacted him to provide information about the activity. I don't find it unreasonable that the bank did so. Metro has explained that this was its standard procedure and I accept that it was. That's in line with what most banks would do in the same situation.

I can see that Mr B answered only one of the questions Metro asked him. It's clear from Mr B's response to some of the questions that Mr B may have found some of the questions Metro asked him were intrusive. But Metro was entitled to ask Mr B for information in order to meet their legal and regulatory obligations – it's entitled and obliged to carry out such checks to help safeguard both the bank and its customers' accounts. So, I can't reasonably say that Metro was acting unfairly or unreasonably in asking Mr B for the information that it did.

As Mr B didn't provide Metro with all the information it wanted, the bank continued to block his account. Metro is obliged by the Financial Crime Authority to carry out ongoing checks to comply with its legal and regulatory obligations. So, if they don't receive the necessary information that they request to ensure it is complying with these obligations, I do not consider continuing to block Mr B's account is a disproportionate measure for Metro to take. So, although I appreciate this caused Mr B inconvenience, I don't consider Metro treated Mr B unfairly in doing so.

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.

Metro have relied on the terms and conditions of Mr B's account when closing it. The terms and conditions outline that Metro can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case, Metro blocked Mr B's account, and then closed it. So, I consider Metro closed Mr B's account immediately, since he wasn't able to use the account following the block. For Metro to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that Metro did. So, it was entitled to close the account as it's already done and end its relationship with Mr B.

Finally, Metro has agreed with the investigator's recommendation to pay Mr B £75 compensation for its poor communication. I note Mr B has also accepted this. But I will make an award in that sum, of £75.00, so that Mr B can enforce it should he need to do so.

In summary, I understand Mr B will be unhappy with my decision but having reviewed all the evidence and circumstances of this complaint, I won't be asking Metro to do anything more to resolve Mr B's complaint.

My final decision

For the reasons I've explained, I partly uphold this complaint. To put things right Metro Bank PLC should pay Mr B £75.00 compensation for its poor communication.

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

Sharon Kerrison
Ombudsman