

The complaint

Mr K complains that an inward payment was delayed by Metro Bank PLC (Metro).

What happened

On 5 August 2022, Mr K's solicitors made a CHAPS payment for £275,940.20 to Mr K's account at Metro. It was credited to his account on 10 August 2022.

Mr K visited a branch of Metro on Friday 5 August 2022, Monday 8 August 2022. And called Metro on Tuesday 9 August 2022.

Mr K complained. He said Metro told him (on 5 August 2022) – that the payment would be credited to his account on Saturday 6 August 2022, and it wasn't. He called Metro on 9 August 2022 - he was then told to contact the remitting bank through the sender. He then contacted his solicitors – who established that the payment had been held up at Metro's processing agency bank (bank A).

Mr K said Metro's staff weren't aware of Metro's agency bank, nor of the delays at bank A. They repeatedly referred him to the sending bank instead. This caused him a loss of time, and stress and anxiety. He said Metro should pay £120 for loss of interest and £250 compensation.

Metro said the correct process had been followed. Metro can't trace inward payments, and the onus is on the sender to initiate a trace or payment recall to determine the location of the funds. If a payment is held up, an advice is sent to the sender of the funds by bank A.

Mr K brought his complaint to us. Our investigator said there was a delay of two days in the funds being received, caused by the intermediary bank A, acting as agents for Metro. The payment should've been received by Monday 8 August 2022. Mr K was also given unclear information which added to his worry and stress – as he was told the payment would be received on Saturday 6 August 2022, which was a mistake. Our investigator said Metro should pay compensation of £100.

Mr K didn't agree with the outcome and asked that an ombudsman look at this complaint. He said he should get more compensation for what happened.

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.

There are two issues at the crux of Mr K's complaint:

- The delay in the payment made on Friday 5 August 2022.

- The communications and advice given to him by Metro staff.

Payment delay: Metro told us that bank A is their processor of inward payments, and that the delay in receipt of funds was due to a hold up at bank A. I looked at Metro's terms and conditions and these state that Metro is responsible for any problems at 'agency' banks – i.e. bank A. They say *"We use other organisations to help us provide our services to you. We are responsible to you for their acts (or failure to act) as if they were our own"*.

I can see that the payment was sent at 5.11 pm on 5 August 2022 – so it may well have missed the 'cut off' time for that day. But – accepting that to be the case, I think it's reasonable to consider that the CHAPS (same day) payment would be received (at the latest) by the next business day - Monday 8 August 2022. But it was credited on Wednesday 10 August 2022. And – for this delay, I think Metro should be liable as per the terms and conditions. I can see that Mr K used an instant access savings account for his money – and the rate was 1.5% per annum at the time. So – Mr K lost interest of about £11 each day for the delay.

Communications: when Mr K visited the branch of Metro on Friday 5 August 2022 – he was told it would be credited on Saturday 6 August 2022. But – this was never going to be possible as Saturday was not a business day. So - that was an error by Metro.

On Tuesday 9 August 2022 – when Mr K called Metro, he was advised to ask his solicitors to trace the payment. Metro told us that was correct – as they can't 'trace' inward payments, nor do bank A advise them of an incoming payment, or that it is being held.

So – what Mr K was told on Tuesday 9 August 2022 was correct. And I can see that as it was, his solicitors did initiate a trace (as Metro had suggested) and found that bank A had delayed the payment. So – Metro's communications were correct in that respect.

So in summary, Metro were wrong to advise Mr K that the payment would be received on Saturday 6 August 2022, but after that, they were correct to ask him to trace the payment through the senders (his solicitors).

The delay was caused by Bank A – and in line with Metro's terms of business, Metro should reimburse Mr K for that. And that's in the order of £22.

So – I agree that a payment of £100 is fair and reasonable as compensation for what happened, to include the loss of interest and miscommunication at the branch. This is in line with the criteria we've set out to decide awards. This is set out at:

<https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>

My final decision

I uphold this complaint. Metro Bank PLC must:

- Pay compensation of £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 September 2023.

Martin Lord
Ombudsman