

The complaint

Mr S complains that Metro Bank PLC unfairly blocked and closed his account. He's also unhappy with the service he was provided by Metro.

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.

Mr S had a current account with Metro which he used to receive his pension payments and pay his bills. He says he knew exactly what went in and out of his account and as a result never checked his bank statements.

Between February 2021 and February 2022, sixty-four payments were made into and out of Mr S's account totalling just under £25,000.

In early September 2022, Metro was notified by another bank that their customer, who I will refer to as Mr T, had been the victim of a romance scam and that the payments Mr S had received into his account between February 2021 and February 2022, were fraudulent. Following this, Metro took the view that it needed to look into the payments and how Mr S was operating his account. So, it blocked Mr S's account and reviewed the account.

Mr S discovered that Metro had restricted his account when he tried to take some money out of a cash machine and couldn't do so. Mr S went into a branch to try and find out if there was a problem with his account. He says the staff were unhelpful and wouldn't give him much information and that when he called Metro, he couldn't speak to the bank's fraud department. So, he says he wasn't able to put across his side of things, which would have shown he hadn't done anything to warrant Metro blocking his account.

As part of its review Metro asked Mr S to provide an explanation about the transactions. Mr S emailed Metro and said that that he was unaware of the transactions from Mr T on his account as he never checked his statements, he said he didn't know Mr T and wasn't aware that the money paid into his account was fraudulent. He said he hadn't done anything wrong, and Metro's actions had left him without access to his money which made things very difficult and stressful for him. Mr S also said he had suffered from sleepless nights and panic attacks as a result of Metro blocking his account.

Metro looked at Mr S's explanation for the activity on his account and decided to close his account. The bank wrote to Mr S giving him seven days' notice to make alternative banking arrangements.

Mr S complained and said Metro were treating him like a criminal. And said the bank were treating him unfairly by closing his account. Metro said it hadn't done anything wrong when it had blocked Mr S's account and asked him for information. Metro also said it had closed Mr S's account in line with the terms and conditions of his account. However, it acknowledged that its service had fallen short when Mr S had called the bank's call centre

about the block on his account and asked to speak to a manager. Metro said it was wrong when its staff told him that there wasn't a manager available. So, it apologised to Mr S for any upset this had caused him.

Mr S brought his complaint to our service. One of our investigators reviewed the complaint. He said Metro hadn't treated Mr S unfairly when it had blocked and closed his account. And said it had done so in line with the terms and conditions of the account. Mr S disagreed. He said he hasn't been allowed to defend himself and Metro have acted as judge and jury accusing him of money laundering, which isn't right as he's never done anything illegal. So, he says Metro treated him unfairly when it blocked and closed his account. And that the investigator must be on the payroll of Metro because he didn't uphold his complaint.

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.

Firstly, I want to address Mr S's comments that Metro has accused him of money laundering so should have reported the matter to the police. Our service is an informal alternative to the courts. And I can't make a finding as to whether the law has been broken, and I don't need to in order to decide this complaint. So, whilst the law is a relevant consideration, we don't look at complaints in the same way a court or the police might. We're able to reach an outcome based on what we believe to be fair and reasonable in all the circumstances.

I also appreciate Mr S was disappointed by the investigator's opinion and I can see that he has provided a detailed response to what he said about his complaint. I'd like to reassure Mr S that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach. I do stress however that I've considered everything that Mr S and Metro have said before reaching my decision.

In response to the investigators view, Mr S has said he is concerned that the investigator is on the payroll of Metro bank — with the implication being that the bank is influencing our conclusions inappropriately. Whilst I do recognise his concern, as an ombudsman service our approach is to consider what both parties say and then reach our own independent conclusions on that evidence. That is what we have done in this complaint. If Mr S does not agree with our view, he does not have to accept it, and if he does not accept this final decision, he will be free to continue to pursue his concerns by other means should he wish to do so. I cannot, however, advise him on how to go about doing that.

Having looked at all the evidence, including the information Metro and Mr S has now provided to this service, I don't believe it was unreasonable in the circumstances for Metro to block Mr S's account. Fraud is a serious matter, and one way financial businesses and banks can help to tackle fraudulent payments is by restricting accounts when allegedly fraudulent payments are received into them. And that's what happened here. I should also add that Metro is not required to prove beyond reasonable doubt that Mr S is guilty of a fraud of financial crime before it decided to block his account.

Metro has explained that this was its standard procedure, and I accept that it was. That's in line with what most financial businesses would do in the same situation. It also enabled

Metro to consider how best to react to the report it had received from Mr T's bank and what Mr S told them about the transactions that had been made on his account. I'm also satisfied that in doing so Metro were complying with its legal and regulatory obligations. So, whilst I accept, that Metro's actions caused Mr S inconvenience when it blocked his account, I can't say it did anything wrong and treated him unfairly in doing so.

Metro have relied on the terms and conditions when closing Mr S's account. The terms explain that the bank can close the account immediately and by providing two months' notice. In this case Metro closed Mr S's account with seven days' notice. 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, including how Mr S was operating his account, and his explanation for the activity on his account, in my view that was reasonable.

I say this because Mr S told Metro and this service that he had no knowledge about any of the money paid into his account by Mr T. He's said he was completely unaware of all the transactions (sixty four in total) as he never checked his bank statement or account. But I don't think this can be true. I say this because after each payment was received into Mr S's account from Mr T, the money was immediately transferred to another account in Mr S's name. This would have required some awareness of the activity on the account. Mr S hasn't disputed these transactions. So, there's no plausible explanation for how any unknown third party was able to gain access to Mr S's account over a period of a year and carry out these transactions. It's also unclear why anyone other than Mr S would move money from his Metro account into another account controlled by Mr S. It simply makes no sense.

Mr S hasn't been able to offer any explanation for how an unknown third party was able to obtain his bank account details, which were needed to pay in the fraudulent funds. I think it's unlikely that an unknown third party without any connection to Mr S would've been able to do this. I also think it's most unlikely that an unknown third party would pay funds into Mr S's account unless they were confident that they would be able to withdraw the money or transfer the funds to another account from which they could withdraw it. So, taken together this all suggests to me that Mr S knows rather more about the fraudulent activity on his account than he's been prepared to tell us or Metro.

So, when I weigh everything up, I'm satisfied that Metro were entitled to close Mr S's account as it has already done. And I'm not persuaded Metro treated Mr S unfairly when they closed his account with seven days' notice. I've also kept in mind that Mr S appears to have had access to at least one other account, which I think would've minimised the impact of the seven day closure period.

Finally, Mr S says he isn't happy that he couldn't speak to a manager when he called Metro and feels that he wasn't allowed to provide an explanation about the activity on his account and defend himself. Metro has accepted that the service it provided Mr S when he called the bank, fell short and it has apologised for telling Mr S that he wasn't able to speak to a manager. I'm satisfied that an apology is a reasonable and fair way to resolve this aspect of Mr S's complaint. So, I won't be asking Metro to do anything more.

In summary, based on the evidence I've seen, I can't say Metro has acted unreasonably and treated Mr S unfairly when it blocked and closed his account. So, I won't be asking Metro to do anything more to resolve Mr S's complaint.

My final decision

For the reasons I've explained, 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 S to accept or reject my decision before 25 December 2023.

Sharon Kerrison
Ombudsman