

Chief Commercial Officer
Metro Bank plc

From: Colin Garland
Director, Remedies, Business and
Financial Analysis

20 April 2020

Letter to Metro Bank plc about breaches of the Retail Banking Market Investigation Order 2017

The CMA is disappointed that Metro Bank has breached Part 6 of the [Retail Banking Market Investigation Order 2017](#) (the Order) twice; by failing to include a warning in alerts that unarranged overdraft charges would be imposed, and by delivering some of these alerts after 10am. In total, 128,564 customers were affected.

Nevertheless, we welcome that Metro Bank has committed to put things right. The offer of remediation, around £11.4m, to people who were unfairly charged is welcomed by the CMA, especially as it includes 8% compensatory interest. Additionally, we note that Metro Bank will consider any reasonable claims for extra costs suffered as a result of the charges.

Metro Bank aims to refund affected customers by Summer 2020.

Metro Bank has also agreed to keep both the CMA and the Financial Conduct Authority, which took on responsibility for alerts from 18 December 2019, informed of its progress in refunding customers and provide confirmation when this is complete.

The purpose of Part 6 was to ensure that personal current account customers received an alert about unarranged overdraft charges before incurring them. Under Article 25.1 of the Order, an alert must include reference to the customer incurring charges and, where relevant, inform them of the period of time they have available to take action to avoid them. In this case, alerts sent between February 2018 and December 2019 (when Part 6 ceased to have effect) failed to include wording that Metro Bank would be charging the customer for entering an unarranged overdraft. These alerts were therefore not compliant.

Article 24.5 states that charges relating from scheduled payments - such as Direct Debits - must be notified to the customer by 10am. Some alerts were not sent before

10am so were also in breach. All customers affected by this failing were also affected by the incorrect wording of alerts and are included within the 128,564 customers due a refund.

This letter has been published on our website.

Yours sincerely

Colin Garland
Director
Remedies, Business and Financial Analysis