

Metro Bank hit with £16.7m fine for inadequate monitoring of £51bn worth of transactions

Metro Bank has been hit with a hefty £16.7m fine by the Financial Conduct Authority (FCA) for its failure to adequately monitor transactions for potential financial crime risks.

The City watchdog revealed that Metro Bank had inadequately monitored over 60 million transactions, totalling a value of £51bn, for money laundering risks between June 2016 and December 2020, as reported by [City AM](#).

“Metro automated the monitoring of customer transactions for potential financial crime in June 2016. However, its system did not work as intended,” the regulator stated.

An error in how data was fed into the system meant that transactions taking place on the same day an account was opened, and any subsequent transactions until the account record was updated, were not monitored.

Despite concerns being raised by junior staff members in 2017 and 2018 about the adequacy of the checks, the issue was not fully resolved until December 2020, more than four and a half years after the automated system was first implemented.

“Metro’s failings risked a gap being left in our defence against the criminal misuse of our financial system. Those failings went on for too long,” said Therese Chambers, joint executive director of enforcement and market oversight.

The bank would have faced a larger fine of £23.8m, but it

qualified for a 30 per cent discount as it agreed to resolve the issue.

Daniel Frumkin, the CEO of Metro Bank, stated: “The conclusion of these enquiries draws a line under this legacy issue, allowing the bank to move forward and fully focus on the future, building on the solid foundations it has already laid.”

Like this story? Why not [sign up](#) to get the latest business news straight to your inbox.