

Metro Bank fined £5.4 million by the Bank of England over accounting errors

Metro Bank today became the latest lender to be punished by watchdogs in a busy period for bank malfeasance.

The challenger bank, which aimed to shake-up customer service on the high street, revealed an accounting error in 2019.

It had mis-reported the value of its commercial loan portfolio, an error that once identified saw the shares crash and led to the later departure of CEO Craig Donaldson after ten years in charge.

Today, the Bank of England slapped Metro with a £5.38 million fine.

Sam Woods of the Prudential Regulation Authority said: “We expect firms to invest appropriate and adequate resources to ensure that they submit accurate regulatory returns. In this case, Metro Bank failed to meet the standards of governance and controls expected of it, resulting in today’s enforcement action.”

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Metro Bank pursued a rapid growth plan in the years before 2019 without adequate investment in regulatory reporting governance and controls, the PRA said.

The lender said it had now made “significant improvements to and substantial investment in its regulatory reporting processes and controls.”

A separate investigation into the matter by the Financial Conduct Authority is ongoing.

Metro Bank shares were today steady at 88p. They are down 90% since the loan issue emerged.

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