

Metro Bank fined £16m for poor money laundering controls

Struggling Metro Bank has been fined £16m for poor money laundering controls.

The Financial Conduct Authority (FCA) said the challenger bank failed to have the right systems and controls to adequately monitor more than 60 million transactions, with a value of over £51bn, for money laundering risks.

The regulator identified failings between June 2016 and December 2020 and said they occurred despite concerns being raised by junior staff as early as 2017.

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Metro, which was rescued in a recapitalisation deal just over a year ago, had since put in place processes to satisfy its obligations, the FCA added.

Its joint executive director of enforcement and market oversight Therese Chambers said: “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.”

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Daniel Frumkin, Metro’s chief executive, commented: “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.

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Metro Bank said separately in a trading update for the third quarter that it still expects to meet its performance forecasts for the year.

Shares fell by 3% at the open.