DRN-2917106

The complaint

Mr W has complained that Monzo Bank Ltd ("Monzo") are unable to provide him with a Plus or Premium account.

What happened

Mr W was in a repayment plan for a personal loan, he completed this plan and moved to paying normal monthly repayments on the loan. Monzo has explained that its customers are ineligible for a Plus or Premium account whilst they are on a repayment plan. But due to an error in Monzo's system, Mr W remains ineligible for the Plus or Premium account despite him no longer being on a repayment plan.

Mr W complained to Monzo about this. Monzo explained that this error was due to be fixed, but it could not say when this would happen. It paid Mr W £135 to reflect the distress this matter caused and for the way it handled Mr W's complaint.

One of our adjudicators looked into this complaint already and they explained that we could not force Monzo to change its system and that the £135 was sufficient.

Mr W did not agree with this and therefore this complaint was passed to me to issue a decision.

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.

Having done so, although I'm aware this will disappoint Mr W, I think that what Monzo has already done is sufficient. I will explain why.

Ultimately both parties agree that something has gone wrong. So, all it remains for me to do is decide if, what Monzo has done to rectify this matter, is enough. Generally, this service aims to put a consumer back into the position that they would've been in, had the complaint event not occurred. In this instance though, this is not possible as the error in Monzo's system has not been rectified. Also, I can't require Monzo to alter its systems or punish or fine Monzo because it is unable to fix the issue, as this is not within the powers of this service.

I can't see that Monzo's system error has caused Mr W an actual financial loss, instead only a loss in expectation. So I need to consider whether the amount paid to Mr W for the distress this matter has caused is enough. I have carefully considered this and I think that what Monzo has paid to rectify this matter is broadly in line with what I would've recommended had they not already done so. So I don't required it to do anything more.

My final decision

Because of the reasons given above, I think that what Monzo has already done to rectify this matter is reasonable.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr W to accept or reject my decision before 6 January 2022.

Charlie Newton
Ombudsman