

The complaint

Mr A complains that Monzo Bank Ltd (Monzo) have acted in a discriminatory way including refusing to reopen a Monzo Plus account, refusing to open a business bank account and closing his bank account.

What happened

Mr A held a Monzo Plus account. This account is operated on a subscription basis. Mr A felt Monzo were mistreating him in the way they were handling fraudulent transaction disputes on his account and says Monzo offered to cancel the subscription for the Monzo Plus account free of charge as an apology.

When Mr A contacted Monzo to reinstate the subscription, Monzo declined to do this, and didn't give a reason as to why. Mr A also says Monzo have failed to explain why they haven't dealt with the fraudulent and disputed transactions he's raised with them in the timeframe they outline for these types of disputes.

Following this, Mr S also says Monzo refused him a business bank account, and then closed his bank account – again without reason.

Mr A complained to Monzo that they have discriminated against him by not giving explanations for decisions and actions they've taken, and the impact this has had on his mental health. He wanted them to reinstate his Monzo Plus account and for them to pay him compensation for the discrimination. While Monzo empathised with Mr A's frustrations, they weren't able to give any further information other than they've complied with their internal processes, and any decision made wasn't because of his race. So Mr A contacted our service for help.

One of our investigators considered Mr A's complaint and concluded Monzo had acted fairly in the circumstances and didn't think Monzo should pay Mr A any compensation. Mr A rejected the investigator's findings and asked for a final 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, I agree with the conclusions reached by the investigator for the following reasons.

Business bank account application

A bank can decide who it wants to deal with as a customer. And in this case, although Mr A was eligible for a business bank account with Monzo, they weren't able to offer him business banking facilities. They've given Mr A an explanation as to why (they are new to business banking and can't offer everyone this facility now), which they don't have to, and I'm satisfied Monzo processed the application in line with regulations.

Delays in processing disputed transactions

Monzo have acknowledged the difficulties Mr A had when registering fraudulent transactions and offered £25 compensation. Mr A has logged several disputes, and while Monzo indicate how long the disputes may take to resolve, each case is different and therefore some may take longer than others. And while I appreciate Mr A feels these should have been dealt with quicker, I still feel they have been processed within reasonable timeframes.

Cancellation and reinstating of Mr A's Monzo Plus subscription

Mr A says Monzo cancelled his subscription free of charge as an apology for poor service. Later Mr A tried to reinstate the subscription as he wanted the protection of that account when travelling abroad. But Monzo wouldn't renew the subscription. And Mr A's unhappy that Monzo haven't given a reason why. Mr A says it's unfair that Monzo chose to cancel the subscription and now won't reinstate it. But as our investigator has said, Monzo have given us screen shots of the web chat Mr A had with Monzo asking them to cancel the subscription. I know Mr A says that Monzo have purposely not given us a copy of the call where they suggest the subscription is cancelled, but I think it's more likely than not based on the evidence provided, that Mr A chose to cancel the subscription. And Monzo aren't obliged to reinstate the facility or give explanations as to why they won't do this either.

Closure of account

Monzo can decide who it wants to deal with as a customer. If they decide to close a customer's account, they don't have to give a reason. But they must follow the process set out in the account's terms and conditions. Having considered Monzo's actions, I think they followed the process set out in the account terms and conditions. They gave Mr A two months' written notification, and this is in line with their processes.

Mr A says he feels Monzo has discriminated against him because of his race given the problems he's experienced, and the lack of explanations they've given him for their actions. Mr A also says his partner gets better treatment from Monzo, and his friends get quicker responses when they contact Monzo for help.

I can understand why Mr A feels this way, but having looked at all the evidence I don't think Monzo have. Nor do I think Monzo has acted unfairly or unreasonably. I hope that it helps Mr A to know that someone impartial and independent has looked into their concerns.

So for these reasons, although I understand Mr A's frustrations, I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 26 October 2021.

Helen Giles
Ombudsman