DRN-3228037

The complaint

Mr S complains about the information given to him by Monzo Bank Ltd when he requested a Covid payment holiday.

What happened

In March 2020 Mr S contacted Monzo as he had been told to self-isolate for three months and was concerned about how he would pay his loan. Monzo offered to pause the loan payments for a short time but told Mr S to return closer to the point he needed the help.

On 09 April 2020 Mr S contacted Monzo again with a similar question and was told that Monzo could give him 60 days breathing space on his loan, but it would be reported to the Credit Reference Agencies (CRA's) as a missed payment. Mr S had already told Monzo he didn't want any adverse data reported as he was shortly to apply for a mortgage.

On 16 April 2020 Mr S contacted Monzo to ask if any payment break would impact his credit score. Monzo responded to say that the Covid payments holidays being offered to consumers at that point wouldn't impact his credit score and could be put in place for up to three months. At the time Mr S didn't ask for the Covid payment holiday to be put in place.

Mr S then complained to Monzo, as he said he was given incorrect information regarding the reporting of missed payments to the CRA's. In his complaint, Mr S said it took three attempts to get the right information from a Monzo agent. Mr S asked for compensation for the trouble and upset the incorrect information had caused him.

Monzo looked into the complaint but didn't uphold it. Monzo said it had given Mr S correct information when asked. So, Mr S brought his complaint to our service.

Our investigator looked into the complaint and originally through the complaint should be upheld. Our investigator then received some more information after the view that changed her mind. Our investigator found that the information Monzo gave Mr S was correct at the time he enquired – on all three occasions.

Mr S didn't agree with the investigators view, so the complaints been passed to me to issue 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.

Based on the information I've seen from Mr S and Monzo, I've decided not to uphold this complaint, for largely the same reasons as the investigator. I'll explain why.

When Mr S contacted Monzo in March 2020, the Financial Conduct Authority (FCA) hadn't released its guidance on Covid payment holidays or provisions for those struggling financially during the pandemic. So, at this point, I would've expected Monzo to offer financial support from options it already had in place before the Covid pandemic. I can see Monzo did this.

Mr S then contacted Monzo again at the start of April and again before the FCA put provisions and guidance in place on 14 April 2020. So, again at this point any plan or agreement Monzo made with Mr S to miss or lower his payments on his loan may well have had an impact on his credit file.

When Mr made contact for the third time on 16 April 2020, the FCA's guidance was in place and Monzo offered to put Mr S on a Covid payment holiday without it impacting his credit file. As with both previous contacts Mr S made, the information the Monzo advisor gave Mr S was correct at the time of asking.

It's worth noting that Monzo haven't reported any adverse data to any CRA's and Mr S maintained his payments and has now paid the loan off.

So, taking all the above into consideration, I don't find Monzo have made any errors or acted unfairly when it has communication with Mr S. All the information I can see that was passed on to Mr S was correct at the time of doing so.

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 S to accept or reject my decision before 3 February 2022.

Tom Wagstaff
Ombudsman