

## **The complaint**

Mr F complains that Monzo Bank Ltd closed his account without notice. He wants his funds released and compensation.

## **What happened**

Mr F had an account with Monzo.

Monzo restricted the account on 3 December 2020 in order to carry out a review of the account. After the review Monzo decided to close the account without notice.

The funds remaining in the account were returned on 22 December 2020 to an account Mr F nominated. In addition, £119.80 were returned to Mr F on 5 January 2021.

Mr F has said that his salary was paid into this account and having no access to money for 20 days was very difficult for him.

Mr F complained to our service. One of the investigators looked into the complaint. He thought Monzo had acted fairly when they blocked and closed Mr F's account.

Mr F was unhappy with the view. He said holding someone's money for 20 days couldn't be right. He said that Monzo had charged him for two months' worth of fees when the account was blocked.

The investigator asked Mr F to provide evidence of him being charged fees when the account was blocked.

As there was no agreement the matter has come to me to decide.

## **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.

### *Account restriction and closure*

I'll start by setting out some context for the review of Mr F's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied Monzo were complying with these obligations when they reviewed Mr F's account.

I can see that in blocking the account the bank was following an internal process which they carried out in order to comply with their legal and regulatory obligations. This was a legitimate exercise so I can't say Monzo was unfair when it blocked the account.

I appreciate the block meant Mr F didn't have access to his funds for around 20 days and I know this was difficult for him. However, as Monzo haven't done anything wrong when they blocked Mr F's account, I won't be asking them to pay compensation.

As the investigator explained it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

I've first considered whether Monzo acted fairly when it closed Mr F's account. Mr F has pointed out that he has been a loyal customer of Monzo for many years and that the closure of his account has caused him a lot of problems and stress. I'm sorry that what's happened has caused Mr F trouble and upset. But it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed.

I've also looked at the terms and conditions of his account. The terms and conditions outline that the bank can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. In this case Monzo closed Mr F's account without notice. For Monzo to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence I'm satisfied that the bank has applied the terms fairly. And it was entitled to close the account as it's already done.

#### *Reasons for closure*

Whilst Mr F may have expected to be given the reasons for the closure, Monzo isn't required to give him a specific reason for closing the account. So, I can't say Monzo has done anything wrong by not giving Mr F this information – as much as he'd like to know.

#### *Return of funds*

I can see from the file that Monzo refunded Mr F his funds to an account nominated by him. So, I'm satisfied Mr F has received his funds.

#### *Fees charged whilst account was blocked*

Mr F has mentioned that he was charged fees whilst the account was blocked. I have looked at the statements for his account and I can't see that he was charged any fees.

Despite being given the opportunity to do so, Mr F hasn't been able to show what fees he is referring to, so I think on balance Mr F wasn't charged any fees whilst the account was blocked. And I won't be asking Monzo to do anything here.

In summary, I recognise Mr F feels unhappy about the block and closure of his account. I realise Mr F will be disappointed by my decision, but overall, based on the evidence I've seen, I can't say Monzo has acted unreasonably and treated Mr F unfairly when it blocked and closed his account. It follows I won't be asking them to pay compensation.

#### **My final decision**

For the reasons stated above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 9 August 2022.

Esperanza Fuentes  
**Ombudsman**