

The complaint

Mrs H complains Monzo Bank Ltd (“Monzo”) declined her application for a current account without providing a reason.

What happened

In April 2022, Mrs H applied for a current account with Monzo. However, Monzo declined Mrs H’s application without giving her a reason. Mrs H says she would like to understand why Monzo declined her application.

Monzo say they reserve the right to turn down banking applications and that there could be a number of reasons that lead them to decline applications. Monzo also said they recognised Mrs H wanted to know details of why her application was declined, but said unfortunately, this wasn’t something they were able to provide. However, Monzo told Mrs H that they followed their internal guidance when they made this decision.

Our Investigator looked into Mrs H’s concerns and in summary, said some of Monzo’s criteria and how they assessed applications are considered sensitive information. So, our Investigator didn’t think Monzo had done anything wrong in not providing Mrs H with detailed reasoning as to why her application was declined. So, our Investigator didn’t recommend Monzo do anything to put things right for Mrs H.

Mrs H disagreed. In summary, she remained of the opinion Monzo should have told her why she didn’t meet their criteria for opening an account and provided reassurances that her credit history is perfect. Mrs H also said she wasn’t aware of anything that would result in a declined application for a current account and without knowing why Monzo declined her application, she’s been left to wonder whether their decision was fair, legal or even discriminatory. So, the complaint has been passed to me.

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.

Mrs H is reasonably concerned Monzo have found something about her financial situation that led to their decision to decline her application and Mrs H has asked for a better understanding behind their decision. Monzo, in turn, say they assessed Mrs H’s application and upon following their internal guidance, they weren’t able to offer Mrs H an account.

Mrs H has told us there’s nothing on her credit file that she feels would cause Monzo concern. I don’t doubt what Mrs H has said, but this isn’t the only thing Monzo will consider when assessing an application for an account. I can see from the information provided by Monzo that they took into consideration a range of information when they assessed Mrs H’s application – this included (but was not exclusive to) information such as income, outgoings and other overall information about Mrs H such as her employment status. Following an assessment of Mrs H’s circumstances, Monzo decided not to offer her an account. With this in mind, I’m satisfied Monzo considered Mrs H’s application in line with their criteria.

I note Mrs H has said that in the absence of information from Monzo or any logical reason from them, she's left wondering whether their decision was discriminatory. I'm sorry to read Mrs H feels this way and I appreciate she wants to know more about why Monzo declined her application.

I can't decide whether Mrs H has or hasn't been discriminated against because findings on discrimination can only be made in court. However, what I can say is whether I think Monzo have acted fairly in the circumstances. Ultimately, there isn't a requirement on a bank to provide banking services to a customer or potential customer. And it's for banks, like Monzo, to decide the criteria they use when assessing a customer's circumstances, which they generally don't share with customers. I acknowledge Mrs H's strength of feeling, but having looked at all the evidence, I don't think Monzo have acted unreasonably.

I appreciate my response doesn't contain the level of detail Mrs H may have hoped for. But I want to assure Mrs H that as an impartial third party, I haven't seen anything that shows Monzo treated her unfairly.

My final decision

For reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 28 December 2022.

Leanne McEvoy
Ombudsman