

Complaint

Miss C is unhappy that Monzo Bank Ltd (“Monzo”) closed her account without notice.

Background

In June 2022, Monzo took the decision to block and then review Miss C’s account. As a result of its review, Monzo decided to close Miss C’s account with immediate effect. Miss C complained about Monzo’s actions. Monzo didn’t uphold Miss C’s complaint. As Miss C remained dissatisfied, Miss C referred the matter to our service.

One of our adjudicators looked into Miss C’s concerns. She didn’t think that Monzo had done anything wrong or treated Miss C unfairly and so didn’t recommend the complaint be upheld. Miss C disagreed and so the complaint was passed to an ombudsman for a final decision.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having carefully considered everything, I don’t think that Monzo acted unfairly towards Miss C and so I’m not upholding her complaint. I’ll explain why in a little more detail.

As our adjudicator explained to Miss C, a bank is generally under no obligation to continue offering an account to a consumer if it doesn’t wish to do so. I know that Miss C is unhappy that Monzo closed her account. However, each bank has its own criteria and risk assessment for deciding whether to open (or close) accounts and providing a customer with an account is a commercial decision that a bank is entitled to take.

Miss C says she was told that her account would be unblocked within 24 hours. But Monzo said it would carry out its review within this period and having looked at matters, I’m satisfied that it did do so. Furthermore, while Miss C is unhappy that her account was closed without notice, I’ve reviewed Monzo’s actions and I’m satisfied that it acted in line with the terms and conditions of her account when taking the action it did.

So I’m satisfied that Monzo had sufficient grounds to close Miss C’s account and as such its decision to block and then close it wasn’t unfair in the circumstances. I realise that Monzo’s decision will have been very disappointing to Miss C and I can appreciate why the closure of her account will have caused her inconvenience. But despite this, I’m simply not in a position to be able to tell Monzo it should have continued offering Miss C an account in circumstances where it legitimately decided it no longer wishes to provide her with one.

Finally, I’ve seen that Miss C has said that while the remaining funds from her account were returned to the bank that sent the original payment these haven’t been returned to the friend that sent them to her in the first place. But I’m satisfied that Monzo has returned the funds in question to the third-party bank. And if Miss C’s friend believes that her bank is refusing to return funds which belong to her then this is a matter that she has to take up with her own bank and I don’t think that this means Monzo acted unfairly to Miss C either.

Overall and having considered everything, I don't think that Monzo has acted unfairly or unreasonably towards Miss C and I'm not upholding this complaint. I appreciate this will be very disappointing for Miss C. But I hope she'll understand the reasons for my decision and that she'll appreciate why Monzo was entitled to close her account in the way that it did.

My final decision

For the reasons I've explained, I'm not upholding Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 4 November 2022.

Jeshen Narayanan
Ombudsman