

## **The complaint**

Ms F complains that Monzo Bank Ltd has treated her unfairly in relation to voice recording for identification purposes and giving her access to her account.

## **What happened**

I considered this complaint and issued my provisional decision on 27 July 2022. Here's a copy of what I said – see below.

### ***What happened***

*Ms F opened an account with Monzo in April 2019. Around January 2021, she got locked out of her account when logging on from a different device. Monzo told Ms F that as a security measure she needed to verify herself using voice recognition to get access to her account. Ms F objected. She said she hadn't provided a voice recording or given permission for Monzo to take one and use it for this purpose. She said this was a violation of her privacy and that she needed access to her account.*

*Monzo said its process was to take a voice recording when a customer opened an account alongside taking a selfie video. And that this was in line with information it shares with its customers. However, in Ms F's case it could see that no audio had been taken, only a video. So, it offered £30 compensation as a gesture of goodwill. Ms F didn't accept this. Ms F said she wanted to withdraw her money and close her account but Monzo said it still needed a voice recording from her to do this, as it would still need to carry out a verification check in line with its security measures. Ms F also discussed the issue over Monzo's chat function. Monzo told Ms F that her voice would be verified against calls she'd had with its support areas about this matter, as those had been recorded. And it would still need her to complete the initial part of the audio process.*

*Ms F was alarmed Monzo had recorded her voice and would use this for voice recognition. Monzo said it had notified her at the beginning of the call that it records these for training and monitoring purposes. So, it didn't think it had done anything wrong. It went on to explain it couldn't delete information from its database as it was required to keep records for six years to meet regulatory requirements in relation to 'know your customer' (KYC).*

*Ms F referred her complaint to our service. In doing so she reiterated her concerns about Monzo using her voice recording for identification purposes. But she also felt Monzo had gone against her wishes in taking a recording of her after she'd explicitly made her concerns about holding and using her voice for identification purposes clear. She didn't think Monzo had been transparent and believed it had treated her unfairly.*

*During our investigation Monzo told us that it offered to accept a video without audio to allow Ms F to regain access and close her account. And that it wished to increase its original offer of compensation to £130, because it acknowledged it could have done more to assist Ms F with this early on.*

*One of our investigators looked into the complaint. They thought Monzo's offer of*

*compensation was fair considering what had happened.*

*Ms F accepted that Monzo had offered a solution to get her access to her account and agreed that the compensation was fair but she didn't accept that Monzo had the right to record her voice in the circumstances it had and use it to identify her. She asked this to be addressed. The investigator asked Monzo if it would delete the recording but it said no. So, the case was put forward for a decision.*

*Before this decision, I approached Monzo. I asked it to look at whether the recording it had taken from Ms F constituted special category data (known as biometric data) and if so whether this required Ms F's explicit consent before it could obtain or use it. Monzo, didn't agree it held or used voice recordings as biometric data. Though to resolve the complaint it said it would like to increase its offer of compensation to £150 as it could see how some confusion had resulted around the use of recordings from a call with its support teams.*

*I put the offer to Ms F as I'm required to disclose all offers. While Ms F noted the offer, she maintained the issue of how her voice recording was obtained was still a concern for her and she wanted that information to be deleted. She said she'd told Monzo all along that she'd be willing to close her account and she still hadn't been able to access her funds because of the ongoing dispute. I requested further clarification from Monzo about these matters and it told me that it wouldn't seek use the recording for voice identification purposes but would prefer to keep it as it was evidence of Ms F's request to withdraw her funds and close the account.*

### ***What I've provisionally 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've decided to uphold the complaint. I'll explain why. There are fundamentally two issues at the heart of Ms F's complaint. One relates to voice recording for identification purposes and the other is access to her account.*

#### ***Voice recording***

*Monzo has provided information to show that it requires a video selfie alongside a voice recording of the customer saying their name and that they are a Monzo customer as part of their account opening process. It says it uses voice recognition to identify customers. Ms F completed the video part, but she didn't say anything during the video. I think it's a relevant consideration to think about what would have happened had Monzo flagged at account opening that it didn't have any audio. So, I've thought about this.*

*Given the audio is part of the account opening process and given it's what gave rise to the complaint, I think I can reasonably infer Monzo wouldn't have opened the account if it had realised there wasn't an audio. Because I don't think Ms F would have provided the information Monzo says it usually needs. However, Monzo didn't spot this and the account was opened with Ms F using it for some time, until the requirements later came to light.*

*As soon as this happened, Ms F told Monzo she didn't want it to have a voice recording for identification purposes – indeed she escalated the issue. So, I can understand why Ms F was unhappy when Monzo told her that her voice would be verified against the calls she'd made to its support teams. While I don't think Monzo did anything wrong in recording the call itself as it notifies customers that calls are recorded for training and monitoring purposes, I can see why referencing its use for voice recognition in Ms F's case left her feeling upset and frustrated.*

*It's not for me to interfere with Monzo's processes in taking and using voice recognition data when it opens accounts. That's a decision it takes as a business with reference to any regulatory obligations it has. But I do think that in the very specific circumstances of this case there were shortcomings in the customer service on Monzo's part. It told Ms F that it was able to use a call recording it had taken knowing Ms F didn't want that and she was already upset about the overall situation. In my view, a more reasonable response would have been to do what it should have done initially during the account opening process, which was to say, in which case it wouldn't be able to offer her account facilities and it would need to give her the appropriate notice to close it. And try to find a different solution.*

*Monzo told Ms F that it still needed a voice recording to close the account, which in my view compounded Ms F's frustration given what had prompted her concerns. While I understand Monzo's reasons were connected to its security measures, I think there was an alternative open to it. Monzo continued to deal with Ms F in accepting and discussing her complaint, after carrying out some other identification checks over the phone (I've listened to the call) so I think it accepted it was dealing with its genuine customer.*

*Monzo subsequently offered an alternative – it said it could accept a video without audio to allow Ms F to get access and close her account. If this could be done now, there's no reason why it couldn't have been done earlier. And to be fair Monzo has acknowledged this point and revised its compensation.*

*In an updated response from Monzo it said that it won't be using the recording for voice recognition purposes. I appreciate the progress that's been made in relation to this and I have shared this with Ms F. But it's still the case that the situation had already led to Ms F experiencing a degree of upset. And Ms F is adamant she wouldn't have opened the account if Monzo had told her that it could only continue to offer her an account if she agreed to provide the audio. So, considering the recording now, and what would fairly resolve this complaint, I think instead of keeping it Monzo should delete it and make a note on the account of Ms F's intention to withdraw her money and close the account. The note will still constitute a record but in a different format. And the call has no relevance to KYC. I think given all the circumstances this would be a reasonable way to resolve things.*

#### **Access to the account**

*Turning to Ms F access to her account. As I have already noted above, Monzo later offered to accept the video recording to allow Ms F access to her account. I think this was reasonable and I can see that the investigator put this to her. Ms F acknowledged this resolved this issue. So, Ms F was able to avail herself of this solution and can still do so.*

*Turning to what I think Monzo needs to do to put things right. I've already said why I think Monzo should delete the recording. But I think its offer to pay £150 is fair and reasonable in all the circumstances. It recognises the upset and frustration caused in how it handled Ms F's concerns and that it could have been more helpful early on. Ms F has another bank account so, I think the impact of the inconvenience side of things was fortunately limited. Also, Ms F was eventually offered a solution to give her access. So, overall, I'm satisfied the amount of compensation considering these factors to be fair.*

#### **My provisional decision**

*My provisional decision is that I intend to uphold this complaint and require Monzo Bank Ltd to pay Ms F £150 and delete the voice recording it took. I think this would be a fair and reasonable way to resolve this complaint.*

I invited both parties to send me their submissions in response to my provisional decision. Monzo accepted the provisional decision. Ms F said she didn't receive it. So, our investigator re-sent it.

Ms F responded to say she agreed with the decision but queried if Monzo had said anything about how she could transfer her money and close the account. She asked if there was a point of contact she have for this.

### **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.

I'm satisfied Monzo's customer service fell short and this led to Ms F experiencing distress and inconvenience. I've said what Monzo needs to do to resolve this complaint and neither party has disagreed.

As referenced in my provisional decision, Monzo said Ms F could access her account using a video but without audio. I understand Ms F's question about how she'll go about doing this and why a point of contact would be useful. Indeed, I think it would be prudent if this could be resolved smoothly and without delay. So, I think when carrying out the redress below, someone from Monzo should also arrange to contact Ms F, specifically to talk her through what steps she'll need to complete to access her account and close it. This would be with the video but without audio as previously put forward by Monzo. I'm satisfied this deals with Ms F's outstanding concern and brings to an end my review of her complaint.

### **My final decision**

My final decision is that I uphold this complaint and require Monzo Bank Ltd to do the following:

- Pay Ms F £150 compensation;
- Delete the voice recording it took; and
- Provide Ms F with a point of contact to assist her, as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 20 September 2022.

Sarita Taylor  
**Ombudsman**