

The complaint

Mr H complains Monzo Bank Ltd closed his account unfairly. They had previously given him two months' notice that his account would close, but they changed their mind and closed his account immediately. He says this caused him severe distress, inconvenience, and financial problems.

What happened

Mr H revealed he suffers from bi-polar disorder which makes him vulnerable to sudden change. I thank Mr H for sharing this information and I've borne in mind how he said Monzo's actions impacted him.

Mr H held a personal account with Monzo. During the time he held the account he raised multiple disputes about transactions on his account. He also told Monzo about his medical condition and how this can impact him.

Monzo carried out a review, after which they decided to close his account and they gave him two months' notice. But Monzo reviewed matters again and decided to close his account with immediate effect.

Mr H complains he had insufficient time to rearrange important payments, including a direct debit for car insurance – the consequence of which meant his insurance was cancelled due to a missed payment and he sold his car because he was uninsured. He says the sudden decision also impacted on his mental health considerably and led to him attempting to take his own life.

Our investigator decided not to uphold Mr H's complaint. The concluded Monzo could close his account and they didn't need to tell him why. While they initially gave him two months' notice, they reviewed their position and closed his account immediately. Based on the information available, they didn't make an error by closing his account this way.

Mr H disagreed with the outcome. He asked for a final decision from an ombudsman, so his complaint has been given to me to decide. He emphasised his medical condition; the consequences of him missing a direct debit payment for his car insurance; and that he thinks Monzo deliberately closed his account because it was unprofitable.

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 have decided not to uphold Mr H's complaint. I understand this will be very disappointing to him, but I'll explain why.

Mr H said he accepts Monzo could close his account by giving him two months' notice. He

said this would have allowed him to rearrange important payments such as direct debits. And it also meant he was less likely to have an episode affecting his mental health, which can be triggered by sudden change.

I have listened to what Mr H has said carefully. Monzo does have a responsibility to consider the individual circumstances of customers when making decisions, particularly customers who are vulnerable. This would include decisions related to ending their relationship with a customer and the amount of notice they give them.

But I have also weighed what Mr H has said against Monzo's commercial freedom and the various factors which comprise this, as well as the terms and conditions of Mr H's account. The account terms do allow Monzo to immediately close an account subject to specific criteria.

Monzo isn't obliged to reveal the reason(s) to Mr H about why they changed their position and immediately closed his account. But I've reviewed the basis of their decision, and on balance I find they reasonably applied the immediate account closure terms in the circumstances of this complaint. I don't find their decision was based on reasons of non-profitability like Mr H thinks it was.

I appreciate Mr H experienced distress which impacted on his medical condition, and that he might have experienced financial loss as a result of Monzo immediately closing his account. But I don't find Monzo made an error or acted unfairly by closing his account immediately. So, I am not awarding him compensation.

My final decision

I have decided not to uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 October 2022.

Liam King
Ombudsman