

## **The complaint**

Mr W complains that Monzo Bank Ltd restricted and closed his account – and then took four weeks to send him the funds that remained.

## **What happened**

Mr W had an account with Monzo. In January 2021, following a review of Mr W's account, Monzo decided to close it. On 20 January, it asked Mr W to get in touch with details of an alternative account so it could send him the remaining funds. Mr W provided details of an account the same day. The remaining funds, £307.50, were paid to Mr W's other account on 16 February.

Mr W thinks he's been treated unfairly. He wanted to know why Monzo had closed his account. And he was unhappy that he'd paid a fee for the premium features of his account. Monzo looked at this, and offered to refund £10.50 of the

Our investigator looked at the complaint and thought it should be upheld in part. Although it appeared Monzo was acting in line with its legal and regulatory obligations when it closed the account, our investigator thought there were signs that Mr W was vulnerable, and so thought Monzo could have returned the funds sooner. She recommended Monzo pay Mr W £100 to reflect the trouble and upset caused.

Monzo didn't agree. It thinks the time it took to return the funds was in line with its normal timescales. And while it is sorry to hear that the situation caused Mr W distress and embarrassment, this didn't appear to be Mr W's main account. It offered to pay £50.

Mr W didn't accept Monzo's offer.

As the investigator couldn't resolve matters informally, the complaint has been passed 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.

Banks like Monzo are subject to a number of legal and regulatory requirements. These mean that Monzo may need to review an account at any time. Looking at everything, I'm satisfied that Monzo was acting in line with its legal and regulatory obligations when it reviewed and closed Mr W's account.

Mr W wants to know why Monzo closed his account – he's said he'd like to know what went wrong so he could avoid it happening again. I can certainly understand why Mr W feels this way. But where Monzo closes accounts, it doesn't need to provide reasons. And it wouldn't be appropriate for me to tell Monzo to share those reasons with him.

I've next considered the time it took Monzo to send the money back. I see Monzo explained its normal timescales was 2-4 weeks. In Mr W's case, Monzo took just over 4 weeks. Given Monzo's legal and regulatory obligations, I can see that some of this delay was unavoidable.

That said, Monzo has also said some of the delay was caused by internal backlogs. I recognise that Monzo told Mr W that it might take 2-4 weeks to complete the process – though I also note that during a call to Monzo one of the agents suggested it might be sooner than that. I also think there were signs that Mr W might be vulnerable – the payments into the account included state benefits, and when Mr W contacted Monzo he mentioned he had no other funds or money to feed his children.

So thinking about everything, I think some of the delay was avoidable and that, in view of Mr W's vulnerability, Monzo could have done more here.

I've thought about what Monzo needs to do to put things right. Where I award compensation for distress or inconvenience, this isn't to punish the business but to reflect the impact the business's actions had. Looking at everything, I think Monzo would still have needed to restrict the account for at least some of the time it did. I note Mr W had other accounts elsewhere; that said, the Monzo account was where he received his state benefits. In all the circumstances, I think the £100 recommended by the investigator is fair.

### **My final decision**

For the reasons above, I uphold Mr W's complaint. Monzo Bank Limited should pay Mr W £100 for the trouble and upset it caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 2 February 2023.

Rebecca Hardman  
**Ombudsman**