

## The complaint

Mr P is unhappy Monzo Bank Ltd declined his application to open an account with them.

## What happened

In 2021, Mr P applied for an account with Monzo – and it was declined. Monzo didn't tell Mr P the reasons why they declined his application, but Mr P remembered applying for an account in 2019 which was also declined.

Mr P was concerned Monzo may have made a discriminatory decision.

Our investigator reviewed things and thought Monzo may have used information from Mr P's previous account application in 2019 when assessing his account application in 2021. Our investigator thought Monzo should have treated the 2021 application as brand new, and new checks should have been carried out. So, he recommended Monzo pay Mr P £100 compensation.

Mr P agreed. Monzo didn't. In summary, they said they were entitled to decide who they offer accounts to.

As an agreement couldn't be reached, the complaint was passed to me.

In December 2022, I issued a provisional decision. In it, I said;

*Firstly, I would add that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. Some of the information Monzo has provided is information that we considered should be kept confidential. This means I won't be able to share a lot of detail with Mr P, but I'd like to assure him that I have considered everything.*

*Anti-money laundering regulations and UK legislation place extensive obligations on regulated financial businesses to have suitable systems in place to allow them to carry out sufficient 'Know Your Customer (KYC)' checks. This applies to both new and existing relationships. It is essential that Monzo carry out checks on account applications – including Mr P's – to meet these legal requirements.*

*I appreciate Mr P is concerned that Monzo may have made a discriminatory decision when declining his account application. But I'm afraid, I can't reasonably agree. Monzo have shared information on their policies with our service – and having reviewed this, I'm satisfied the reasons for declining Mr P's account was appropriate. I'm aware Monzo haven't shared the details with Mr P, and I'm sorry I can't share this information either, but I'd like to reassure him that I am satisfied Monzo have acted appropriately in the circumstances.*

*Our investigator thought Monzo should have carried out brand new checks in 2021 – rather than using existing information from 2019. While in some circumstances I would agree with this, certain personal identification information would remain the same. Therefore, I'm*

*satisfied that Monzo used some existing information from Mr P's profile which would have still been relevant.*

So, overall, I was satisfied that Monzo were following their own internal procedures and complying with their regulatory obligations when declining Mr P's account application.

Neither Monzo, nor Mr P, responded to my provisional decision with any further evidence or arguments.

### **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.

As neither party raised further arguments, I see no reason to depart from my provisional findings. In summary, I'm satisfied Monzo were reasonable when declining Mr P's account application as they were following their own internal procedures and complying with their regulatory obligations.

### **My final decision**

For the reasons explained above, and in my provisional decision, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 31 January 2023.

Hayley West  
**Ombudsman**