

The complaint

Mr D complains that Monzo Bank Ltd unfairly declined his application to open an account with it and wouldn't tell him why.

What happened

Mr D applied for an account with Monzo in August 2022, however this was declined. Mr D asked Monzo to review this and wanted to know the reasons behind its decision. There was some further correspondence between the parties however Monzo's decision remained unchanged.

Mr D didn't think it was fair that Monzo had declined his application and he was unhappy it didn't provide a reason behind its decision. Mr D also says he'd asked Monzo to review his application, but he never heard back. So, Mr D complained.

Monzo looked into Mr D's complaint. It said it assessed applications based on the information applicants provided and based on what it had seen it couldn't offer Mr D an account. Monzo said it appreciated the frustration caused but said it couldn't provide further detail about its decision. However, Monzo thought the service offered to Mr D could have been better and acknowledged it could have dealt with matters sooner. It offered Mr D £25 compensation.

Mr D remained unhappy and brought his complaint to this service. One of our investigators reviewed matters and didn't recommend that Mr D's complaint was upheld. In summary, he explained that Monzo had a regulatory requirement to assess each application. And, he didn't think it had treated Mr D unfairly by declining his application. He acknowledged the service provided could have been better but he thought Monzo's offer of £25 was reasonable.

Monzo didn't dispute our investigator's findings, but Mr D did and mostly repeated his earlier points. Ultimately an agreement hasn't been reached, so the case has come 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.

Mr D wants to know why Monzo declined his application to open an account. Monzo has said it is unable to disclose the reasons it declined the application in line with its terms and conditions and regulatory obligations. Whilst I understand why Mr D would be frustrated about this, Monzo's position here isn't unusual in the circumstances. And, I want to reassure Mr D that I have reviewed Monzo's reasons for declining his application as an impartial third-party, and I'm satisfied they were legitimate.

Following Monzo's decision, Mr D asked some further questions about why his application had been declined. Whilst Monzo would have been entitled to maintain its position, it instead

asked Mr D some further questions, including one about his income. Monzo pointed out that Mr D declared that he was unemployed and also had an income of £25,000, and asked where this income was from. Mr D provided an explanation in response to this, however it wasn't enough to persuade Monzo to open an account for him.

On balance, I'm satisfied Monzo did consider the additional information Mr D provided. And whilst I appreciate it would have been disappointing for Mr D to have his application declined, Monzo's decision about approving the application remained unchanged. I don't think this was an unreasonable decision, given that it still had legitimate concerns about the information provided.

Monzo has acknowledged that the service it provided to Mr D could have been better, and that what should have been a straightforward resolution took longer than hoped. I agree with this, and I think Monzo could have been more responsive to the questions and concerns Mr D raised. Monzo apologised for the delay in responding to Mr D's complaint and offered him £25 compensation for the poor service he received. I'm satisfied this is a fair and reasonable amount in the circumstances and I find Monzo should pay this to Mr D, if it hasn't already done so.

My final decision

I uphold this complaint and direct Monzo Bank Ltd to pay Mr D £25 compensation for the poor service it offered him, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 April 2023.

Hana Yousef
Ombudsman