

The complaint

Mr F complains that Monzo Bank Ltd provided a poor level of service when he claimed for funds that had been deposited into his closed account.

What happened

Mr F contacted Monzo around October last year, after funds from a refund were sent to his closed account. Mr F complained to the bank shortly after this because he says he experienced delays, he had to verify his I.D multiple times and provide further information. Mr F also escalated his concerns by taking legal action, but this has since been discontinued.

Monzo eventually sent the funds to Mr F and reimbursed him for the fee he paid to start legal proceedings.

In its response, Monzo agreed there were some delays and offered Mr F £20 compensation. Monzo pointed out that it had followed its process correctly. Remaining unhappy, Mr F asked this service to get involved.

Our adjudicator concluded that the bank had acted fairly and that he considered the compensation offered by Monzo as fair. Mr F doesn't agree, so the complaint has been passed to me for a final decision.

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.

Having done so, I've decided that Monzo has acted fairly – I'll explain why.

Monzo says it doesn't have an automatic way of identifying when funds are deposited into a closed account. So I wouldn't expect the bank to have been proactive or be in a position to send the funds to Mr F immediately.

This explains why, when Mr F first got in touch with Monzo, he was given a timescale of 2-4 weeks for this issue to be resolved. I don't find this to be an unreasonable timescale. It's unlikely that Monzo would've been able to send the funds to him immediately, given it wasn't down to the bank where the funds were refunded to. It seems Mr F received the funds around 2 weeks after his first contact with Monzo, so I'm satisfied that the bank took steps to send the funds to him within a reasonable time frame.

Mr F is unhappy that he had to provide further information and that he had to verify his I.D in the form of a selfie numerous times. Although it's not within my remit to tell Monzo the processes it should apply as part of its banking services, I don't find that the bank treated Mr F unfairly.

It's Monzo's responsibility to ensure it takes adequate steps to protect its customers. The information it asked Mr F for allowed Monzo to verify that the account the funds would be

sent to was held by him. Monzo also says the multiple selfies were requested because previous ones sent by Mr F were considered invalid after 24 hours. I acknowledge it would've added a layer of frustration for Mr F, having to carry out the same action each day he contacted the bank. But given Monzo's requests were for security reasons, I can't fairly conclude that the bank did something wrong.

Mr F is also dissatisfied with the delays he says he experienced. I can see from the bank's notes that he'd contacted Monzo multiple times over a two-week period to request updates. Mr F also started legal proceedings to resolve this matter. Monzo acknowledges that it could've responded to some of Mr F's communications quicker and it offered him £20 compensation because of this. In my opinion, this is a reasonable offer and I don't see any cause for a higher compensation figure.

I say this because as I pointed out, Monzo seems to have returned Mr F's funds within a reasonable period. I know Mr F felt the need to regularly chase the bank for updates, but I haven't seen anything that makes me think the bank unreasonably held up the return of his funds. Moreover, I can't see that Mr F suffered a loss – Monzo also reimbursed him the fee he paid to start legal action. I also haven't seen anything that persuades me that Mr F experienced an unreasonable level of distress or inconvenience because he had to wait around two weeks to receive his funds – certainly, not to a degree that makes me think further compensation is appropriate here.

Given that Monzo returned Mr F's funds to him within a reasonable time frame, reimbursed him for his costs and offered what I think is reasonable compensation – I won't be asking the bank to do anything more in relation to this complaint.

My final decision

I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 18 July 2023.

Abdul Ali
Ombudsman