

The complaint

Mrs M complains that Monzo bank Ltd closed her bank account and haven't told her why it no longer wants her as a customer.

What happened

Mrs M had an account with Monzo.

In February 2022, Monzo reviewed Mrs M's account. Following its review, it decided to close Mrs M's account and wrote to her on 25 February 2022 giving her 60 days' notice to make alternative banking arrangements.

Mrs M complained to Monzo and asked for an explanation for why it had closed her account. Monzo wouldn't give Mrs M much information about why it had closed her account. Mrs M pointed out that she had been a good customer of the bank and always operated her account properly. She said that since the account had been closed other bank accounts, she had had also been closed, which made it difficult to pay her bills, look after her family and receive her wages. She says Monzo has closed her account unfairly and discriminated against her on the basis of her race and beliefs. She's also said that she works for an organisation and believes that Monzo has closed her account due to misinformation and lies that have been spread by members of a rival organisation.

In response, Monzo said it hadn't done anything wrong when it had closed Mrs M's account and that it wasn't obliged to provide Mrs M with an explanation why it no longer wanted to offer her banking services. It said it had closed the account in line with the terms and conditions of the account.

Unhappy with this response Mrs M brought his complaint to our service. She said that the organisation she works for is all above board, legal and well respected. And Monzo have discriminated against her when it closed her account. She wants Monzo to provide a proper explanation why it closed her account.

One of our investigator's looked into Mrs M's complaint. They didn't think Monzo had done anything wrong when it had closed Mrs M's account and explained that the bank didn't have to provide an explanation for why it no longer wanted Mrs M as a customer. Mrs M disagreed. She maintains that Monzo has closed her account unfairly and discriminated against her. In support of this, she's pointed out that a number of other people she works with at her organisation and share her beliefs have also had their bank accounts closed.

As no agreement could be reached the complaint has come to me to decide.

What I've decided – and why

Firstly, banks are entitled to decide for themselves whether to do business or continue doing business with a customer. Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't decline to open an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

At times, following a review, banks sometimes choose to end their relationship with customers. This can be due to a number of reasons and a bank isn't obliged to give a reason to the customer. Just the same as if Mrs M decided to stop banking with Monzo, she wouldn't have to explain why. I understand Mrs M wants Monzo to explain the reason it reviewed and closed her account. But Monzo doesn't disclose to its customers what triggers a review of their accounts. It's under no obligation to tell Mrs M the reasons behind the account review and closure, as much as she'd like to know. So, I can't say it's done anything wrong by not giving Mrs M this information. And it wouldn't be appropriate for me to require it do so.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses 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 haven't been able to share a lot of detail with Mrs M, but I'd like to reassure her that I have considered everything carefully.

I know Mrs M is upset that Monzo closed her account. I appreciate that it can't be pleasant being told you're no longer wanted as a customer. Monzo have relied on the terms and conditions of Mrs M's account when it. The terms explain that the bank can close the account with notice by providing a customer 60 days' notice. Having looked at all the information available to me, including Monzo's actions and the information it's provided I'm satisfied that Monzo's decision to close Mrs M's account was reached legitimately and fairly. I've reviewed the terms and conditions and circumstances of this complaint, and I'm satisfied Monzo acted in line with them, so, it was entitled to close the account as it has already done.

I know Mrs M says that she believes that she is a victim of discrimination by Monzo. And feels that the bank closed her account on the grounds of her race and beliefs. While I can appreciate this is her perspective, it is not the role of the Financial Ombudsman Service to decide whether the business has acted unlawfully or not – that's a matter for the Courts. I'm required to take into account a number of factors in order to decide Mrs M's complaint in accordance with what I think is fair and reasonable in all the circumstances of this complaint. Part of this has meant considering the provisions of the Equality Act 2010 . And after looking at all the evidence, I've not seen anything to suggest that Monzo decided to close the account for an improper reason. In reaching this conclusion, I acknowledge what Mrs M says about others having similar experiences. But I can't comment on that. I am only concerned with the facts of this complaint.

In summary, I recognise how strongly Mrs M feels about what's happened. I don't doubt it was a frustrating and worrying time. So, I realise Mrs M will be disappointed by my decision. But overall, based on the evidence I've seen, I can't say Monzo have acted unreasonably and treated Mrs M unfairly when it closed her account.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 19 September 2023.

Ombudsman