

## **The complaint**

Mr T complains Monzo Bank Ltd (“Monzo”) blocked his account causing him financial loss as the funds couldn’t be used for an investment opportunity.

## **What happened**

On 11 August 2022, following an internal review, Monzo blocked Mr T’s account. On 12 August 2022, Monzo gave Mr T notice that it would be closing his account in two months’ time and unblocked the account.

On 15 August 2022, Monzo blocked Mr T’s account again. Monzo removed the block on 25 August 2022.

Unhappy with Monzo’s actions, Mr T complained. In his email dated September 2022, Mr T made the following points:

- Monzo disabled his account for over a week from 15 August 2022, and it was re-enabled only after Mr T explained he needed to minimise his losses
- No account was made for any financial distress Mr T may have suffered, including penalties for potential missed direct debit payments. But Mr T says he didn’t suffer these, however he has missed out on investment returns as he didn’t have access to his funds
- Monzo should pay Mr T £938.33 for the loss of investment opportunity

Monzo sent Mr T its final response to his complaint in which it said it was partially upholding it. In short, the key points it made were:

- Its internal procedures were correctly followed when Mr T’s account was frozen on 15 August 2022, and it carried out a review in line with regulatory guidelines
- But Monzo should’ve reviewed Mr T’s case much quicker than it did. This caused a delay in him regaining access. Monzo were able to review and unblock the account on 15 August 2022, and it didn’t do so causing a ten-day delay
- Monzo credited Mr T’s account with £150 to apologise for the inconvenience and upset caused
- Monzo are happy to review any evidence related to the loss of an investment opportunity

Mr T referred his complaint to this service. Monzo informed this service the account was closed on 12 November 2022, and a balance of a little over £150 remains in it. And the funds haven’t been returned to Mr T because he hasn’t yet provided alternative bank details.

One of our Adjudicator’s then began to look into Mr T’s complaint. In summary, Mr T made the following points:

- He did not accept Monzo's offer of £150 as it was far less than the profit he was prevented from making due to the account block
- The funds locked by Monzo denied Mr T the opportunity to create a cryptocurrency liquidity pool, and he's missed out on commissions because of that

To support his above points, Mr T has sent in 'transaction details' for cryptocurrencies timestamped 17 August 2022. And another for 24 August 2022.

Our Adjudicator then sent Mr T their outcome on his complaint. They didn't uphold it, and in short, they made the following key findings:

- Financial businesses are entitled to review accounts and may block them while doing so – this is in line with their legal and regulatory obligations. Monzo are not required to give a warning nor explanation
- Monzo gave Mr T two months' notice of account closure, this was done fairly and in line with the terms of the account
- Financial businesses can't always guarantee the availability of funds in a customer account as they have broader regulatory obligations to comply with. And they can't say Monzo should pay the profits Mr T expected had he invested the money – investments aren't always guaranteed a return
- Monzo accepted it had caused unnecessary delays, and paid Mr T £150 for this. This is fair compensation, and it doesn't need to do anymore

Mr T did not agree with what our Adjudicator said. He questions why Monzo doesn't have to explain its actions, suggesting it can act with impunity. And that Monzo must not be an efficiently run business given it blocked his account, unblocked it, served notice of closure, and then blocked it again.

Mr T further says he should get compensation in line with what he's lost out on given he's been able to show he would have been able to turn a profit through a crypto based investment. Mr T says he isn't complaining about the closure of his account.

As Mr T didn't agree, his 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.

Having done so, I've decided not to uphold this complaint. I know this will disappoint Mr T, so I'll explain why.

Banks in the UK, like Monzo, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases go as far as closing, customers' accounts.

I've looked at the information and explanations given to me by Monzo for its reviews and resulting blocks on 11 and 15 August 2022. I'm satisfied that by doing so Monzo was complying with its legal and regulatory obligations.

I do accept it's a poor customer experience to have your account blocked in this way. But as I've explained, Monzo hasn't done anything wrong here.

Mr T isn't complaining about the closure of his account and has emphasised this in his response to what our Adjudicator said. So I don't need to consider the closure of Mr T's account.

Monzo say it caused a ten day delay in unblocking Mr T's account from 15 August 2022. Because of the distress and inconvenience this caused, it has paid £150 into Mr T's account. This brings me onto the crux of Mr T's complaint, that is he hasn't been paid fair compensation for the financial loss he's suffered by being deprived of funds he would otherwise have invested into a crypto currency investment pool.

Mr T has said he hasn't suffered any distress nor inconvenience but has missed out on an opportunity to earn nearly £1,000 from his blocked funds. Mr T has sent in information which he says shows he would've earned profit in line with what he's claimed.

I accept Mr T was actively investing in crypto currencies around the time of the account blocks. But there is nothing to definitively show he would have taken around £5,000 that was restricted in his account and put it towards the crypto assets he has shown.

It's generally our service's approach to award 8% simple interest for the unfair deprivation of funds to compensate a complainant for any lost opportunity. I note that doing so here for the period Mr T was deprived of his funds, ten days, would mean an award of around £11.

So given Monzo have already paid Mr T £150 for distress and inconvenience, something he says he didn't suffer, I don't think it needs to do anymore than it has.

### **My final decision**

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 15 December 2023.

Ketan Nagla  
**Ombudsman**