

The complaint

Mr V complains Monzo Bank Ltd closed his account without a reason. He would like to know the reason and his account reopened.

What happened

Mr V had an account with Monzo. Mr V received a letter on 11 March 2021 giving him 60 days' notice to close his account.

Mr V says the letter came out of the blue and he didn't know why Monzo had decided to close his account. He said as a result he had suffered inconvenience.

Monzo said they were entitled to close the account and had complied with the terms and conditions of the account when they gave 60 days' notice.

Mr V complained to our service. One of the investigators looked into the complaint. He thought the account had been closed in line with the terms of the account and he didn't think they had acted unfairly. He said Monzo didn't have to provide a reason for the closure. Mr V was unhappy he said he didn't think he had breached the terms and he hadn't been given a reason for the closure, so he refused to accept the decision to close his account. Our investigator said that Monzo had made a commercial decision to close Mr V's account and that our service had received information in confidence which he had reviewed, and he was satisfied the account had been fairly closed.

As there was no agreement the matter 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.

I'll start by setting out some context for the review of Mr V's account. UK legislation places extensive obligations on regulated financial businesses. Financial institutions must establish the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. This applies to both new and existing relationships. These obligations override all other obligations. I am satisfied Monzo were complying with these obligations when they reviewed Mr V's account.

Following the review Monzo decided to close Mr V's account. Mr V is unhappy with the closure. He has said he's been a customer of Monzo for many years. He doesn't understand why Monzo have decided to close his account and he wants to know what the reason is for the closure. He doesn't think he has breached the terms of the account.

As the investigator explained it's generally for banks to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

I've next looked at Monzo's decision to close Mr V's account. Banks are entitled to end their business relationship with a customer, as long as it's done fairly and is in line with the terms and conditions of the account. The terms and conditions of Mr V's account say that Monzo can close an account giving 60 days' notice and, in some circumstances, they can close the account with immediate effect. In this case Monzo gave Mr V 60 days' notice that they were going to close his account. They are entitled to close the account with 60 days' notice. I'm satisfied that Mr V was sent that notice. I don't think Monzo acted unreasonably here. So, it was entitled to close the account as it's already done, and I can't say Monzo has treated Mr V unfairly.

Mr V wants to know the reason why his account has been closed but Monzo isn't obliged to share this information with Mr V so I can't say that they are being unfair in not providing him with this information. The investigator explained that as a service we receive information in confidence. We may treat evidence from banks as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Monzo has provided is information that we considered should be kept confidential. However, I have reviewed this information and I'm satisfied that Monzo haven't acted improperly when they closed Mr V's account

I appreciate that Mr v will be disappointed with my decision. I accept that he suffered inconvenience and stress when Monzo closed his account, but Monzo were entitled to close the account and they have done so giving the correct notice. Looking at the evidence I can't say they have treated Mr V unfairly, so I won't be asking them to reopen the account. As I've said they aren't obliged to give Mr V a reason for the closure.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 7 December 2023.

Esperanza Fuentes
Ombudsman