

The complaint

Miss G complains that Monzo Bank Ltd closed her bank account without notice or explanation.

What happened

Miss G had an account with Monzo that opened in April 2020. On 30 May 2022, Monzo froze Miss G's account. Following a review, it decided to close Miss G's account with immediate effect.

Dissatisfied, Miss G complained to Monzo and then referred the complaint to us.

Our investigator looked at the complaint, but didn't think it should be upheld. Miss G didn't agree. The complaint has been referred 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.

Financial businesses, like Monzo, are subject to a number of legal and regulatory requirements. These mean that they may need to review accounts at any time – and doesn't need to give reasons.

The terms and conditions that applied to Miss G's account also said that Monzo could close accounts by giving Miss G at least two months' notice, and in some cases immediately.

Based on what I've seen, I'm satisfied that Monzo was acting in line with its legal and regulatory obligations when it froze and reviewed Miss G's account. And I'm satisfied it was acting in line with the terms and conditions when it closed the account immediately.

I appreciate that Miss G would like to know more. But where Monzo closes an account, it doesn't need to give Miss G reasons, and nor would it be appropriate for me to tell Monzo to give her these reasons.

I'd expect Monzo to complete any review in a timely manner. Here Monzo froze the account on 30 May 2022, and returned the remaining balance to Miss G's nominated account on 31 May 2022. I'm satisfied Monzo acted without undue delay.

Finally, I acknowledge what Miss G said about the impact this all had on her. She says that because she lost access to her account she fell behind on her payments towards utilities, bills, and council tax. I have every sympathy for Miss G and don't doubt she's had a difficult time. But as I've concluded that Monzo was acting reasonably and in line with the terms and conditions in closing her account, this isn't something I can tell Monzo to pay compensation for.

I understand that 20p remains in the account. Miss G can contact Monzo to arrange for that to be paid to her should she want to.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 17 May 2023.

Rebecca Hardman
Ombudsman