

The complaint

Mr A is unhappy with how Monzo Bank Ltd requested information about his occupation.

What happened

Monzo wrote to Mr A and asked him to provide some personal information which Monzo needed to keep updated to comply with their regulatory obligations. This information included Mr A's occupation. But the list of available options that was available to Mr A didn't include his occupation title, and when he contacted Monzo about this he was told to choose the closest option from those available on this list.

Additionally, Mr A was also told by Monzo's staff member that the information was only used for market research purposes. Mr A wasn't happy about this, and he also wasn't happy Monzo had restricted his account because he hadn't provided the information they'd requested. So, he raised a complaint.

Monzo responded to Mr A and confirmed they required the information to comply with their regulatory requirements regarding customer due diligence. Monzo also explained that it wasn't feasible to provide a list with all occupations listed, because the list would be too long, and so they reiterated their request for Mr A to select the closest fit from the options available on the list. Finally, Monzo confirmed that Mr A's account would remain restricted until he provided the information they required.

However, Monzo did acknowledge that Mr A hadn't received the standard of service they aspired to when he'd reached out to them about the issue. And because of this, Monzo apologised to Mr A and made a payment of £30 to him as compensation for any trouble and upset he may have experienced as a result. Mr A wasn't satisfied with Monzo's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Monzo had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr A remained dissatisfied, so the matter was escalated to an ombudsman 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'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.

In their response to Mr A's complaint, Monzo provided an explanation as to why they needed the information from Mr A they were requesting. This included that the information was

required to ensure that Monzo were complying with their obligations as a regulatory bank regarding customer due diligence and that because Monzo were now requesting this information from new customers they were also now requesting it from existing customers as well. Additionally, Monzo explained that the information requested provides them with a baseline which they can use to spot unusual activity from.

Monzo's explanation seems reasonable to me. And ultimately, it's for Monzo to decide how best to comply with their regulatory obligations. As such, I don't feel that Monzo have acted unfairly towards Mr A by requesting the information from him that they have.

Mr A has explained that a Monzo staff member he spoke with said that the information was used by Monzo for market research purposes. I can appreciate how Mr A might have been concerned by this. But it seems likely to me that the staff member with whom Mr A spoke either had an incorrect understanding of why the information was required or didn't accurately articulate why it was required to Mr A.

Either way, I feel that the detailed explanation provided to Mr A by Monzo about why the requested information is required by them in their response to Mr A's complaint supersedes the potential misinformation given by Monzo's staff member on the phone.

I'm aware that Mr A is unhappy that Monzo are asking him to choose an occupation title from the list of available options which is closest to his actual job title, and that he feels that by doing so Monzo are asking him to knowingly provide false information, which is an act that Monzo's account terms allow Monzo to close a customer's account for.

But the use of limited job titles for this purpose isn't unusual, and I don't feel that Monzo are acting unreasonably or unfairly by using such a list and asking customers to select the most appropriate option. And given that Monzo are specifically asking Mr A to select the most appropriate option, I don't feel that Mr A's concerns about Monzo then using that as an excuse to potentially close his account are justified.

All of which means that I don't feel that Monzo have done anything wrong here or acted unfairly. This includes that Monzo have restricted Mr A's account until such time as he provides the information to them that they require. Of course, it's at Mr A's discretion as to whether he's willing to provide that information. But I'm also satisfied that it's at Monzo's discretion to not provide Mr A with full banking services until Mr A provides the information that they require.

Furthermore, I can also confirm that I feel the £30 that Monzo have paid to Mr A for the poor service he received when trying to contact them about his concerns already represents a fair resolution to that aspect of Mr A's complaint. And I can confirm the £30 is commensurate with what I might have instructed Monzo to pay, had they not already done so.

Finally, Mr A has explained to this service that he's unhappy with changes that Monzo have made to their terms and conditions. However, this service can only consider a complaint point after the respondent business has had the opportunity to consider and respond to that point itself. As such, Mr A would need to raise this further point of complaint with Monzo in the first instance and allow Monzo eight weeks to provide a response before he could refer that further complaint point to this service – should he still wish to do so at that time.

I realise this won't be the outcome Mr A was wanting, but it follows from all the above that I won't be upholding this complaint or instructing Monzo to take any further action here. I hope Mr A will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 September 2023.

Paul Cooper
Ombudsman