

The complaint

Mr G complains that Monzo bank Ltd closed blocked and closed his bank account. He is also unhappy that Monzo have not sent him copies of his account statements and wants compensation.

What happened

Mr G had an account with Monzo.

In July 2022, Monzo reviewed Mr G's account. Whilst it completed its review, Monzo blocked the account, which meant Mr G was unable to access any funds within it. At the time Mr G's balance was just over £2,000. Following its review, Monzo decided to close Mr G's account and wrote to him giving him 62 days' notice to make alternative banking arrangements. However, Monzo subsequently decided to close Mr G's account sooner. Monzo closed the account on 10 August 2022 and released Mr G's balance back to him.

Mr G complained to Monzo and asked for an explanation for why it had blocked and closed his account. He also asked Monzo to send him copies of his bank statements, which he needed to show his employer. In response, Monzo said it wasn't obliged to provide Mr G with an explanation about why it had reviewed and closed his account. And said it had acted in accordance with the terms and conditions of the account.

Monzo also said it was happy to provide Mr G his bank statements. But explained to him that in order to comply with its own security processes and General Data Protection Regulation (GDPR), it needed Mr G to verify his identity and address so that it could send him his bank statements. Mr G refused. He said Monzo was already in possession of the information it had requested and as he was no longer a customer, because the bank had closed his account, Monzo had no right to ask him to provide the information.

One of our investigator's looked into Mr G's complaint. They didn't think Monzo had done anything wrong when it had closed Mr G's account and explained that the bank didn't have to provide an explanation for why it no longer wanted him as a customer. The investigator also said that Monzo hadn't done anything wrong by not sending Mr G's his account statements. Mr G disagreed. He said he went without his wages due to not having his statements to show his employer that his salary hadn't credited his account. And that Monzo had treated him unfairly closing his account. So, he wants compensation.

As no agreement could be reached the complaint 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 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 Mr G, but I'd like to reassure him that I have considered everything.

Monzo has important legal and regulatory obligations it must meet when providing accounts to customers. These obligations are ongoing, so do not only pertain to when an account is opened. To comply with its obligations Monzo may need to review an account and/or restrict its customer's access.

I've looked at the conversations Mr G had with Monzo via its in app chat whilst his account was blocked. Having done so I've no doubt that not having a functioning bank account made things quite difficult for him. And I can see from the exchanges that Mr G asked Monzo to explain why it had blocked his account on more than one occasion but wasn't given much information. So, I can understand why he found this experience with Monzo frustrating. But as I've explained, banks have a legal obligation to comply with various laws and regulations. Having looked at all the evidence, I'm satisfied that Monzo was complying with its obligations when it blocked Mr G's account. So, whilst I accept this caused Mr G inconvenience, I can't say Monzo treated him unfairly when it blocked his account.

Mr G wants Monzo to explain the reason it blocked his account. But Monzo doesn't disclose to its customers what triggers a review of their accounts. It's under no obligation to tell Mr G the reasons behind the account review, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr G this information. And it wouldn't be appropriate for me to require it do so.

Mr G's account remained blocked until it was closed. But I don't consider that it would be right for me to conclude it shouldn't have taken in excess of any particular or specific timeframe. Because Monzo was entitled – as a matter of principle – to do what it did in order to comply with its legal and regulatory obligations. So, it wouldn't be appropriate to make an award for compensation for that, since I don't believe that Monzo acted inappropriately in taking the actions that it did.

I then turn to the bank's decision to close Mr G's account. 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 very good reason to do so, this service won't usually say that a bank must keep customer or require it to compensate a customer who has had their account closed.

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 Mr G decided to stop banking with Monzo, he wouldn't have to explain why. Monzo have relied on the terms and conditions when closing Mr G's account. The terms explain that the bank can close the account immediately and by providing two months' notice. In this case Monzo subsequently decided to close Mr G's account without notice. Having looked at the evidence that has been made available to me, in my view that was reasonable. So, it was entitled to close the account as it has already done. And I'm satisfied that it did so in line with the account terms and relevant regulations. Monzo released Mr G's balance back when it closed his account. So, I'm not persuaded Monzo treated Mr G unfairly when they closed his account.

Finally, Mr G asked Monzo to send him copies of his account statements. He's explained that he needed the statements to show his employer he hadn't received his salary into his

account. I've looked at the exchanges between Mr G and Monzo regarding this issue, and it seems Monzo was willing to provide Mr G his statements. But in order to do so Mr G had to complete Monzo's security verification process, so that it could comply with GDPR, which I don't find unreasonable.

I can see that Monzo has clearly explained this to Mr G on more than one occasion. And told him that this process is its standard procedure. So, I'm satisfied that Mr G understands what he needs to do in order to satisfy Monzo's request. I'm also satisfied that Monzo has these processes in place in order to comply with its legal and regulatory obligations, which includes GDPR when providing accounts to customers. This is an ongoing obligation, regardless of whether Mr G is still a customer of the bank. I acknowledge that Mr G has said that he doesn't trust Monzo with his information, which is one of reasons he was unwilling to comply with Monzo's requests, but I haven't seen any evidence that the bank has misused his information or not kept it secure. So, I can't say Monzo have done anything wrong by asking Mr G to verify his identification and address in order to complete this process. It's now up to Mr G to provide the information necessary in order to be sent his account statements.

In summary, I recognise how strongly Mr G feels about what's happened. I don't doubt it was a frustrating and worrying time. So, I realise Mr G 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 Mr G unfairly in taking the actions that it did.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 23 August 2023.

Sharon Kerrison
Ombudsman