

The complaint

Mr M and Ms Y complain that Monzo Bank Ltd refused their application for a joint bank account and wouldn't explain its reasons for doing so. They want to know why Monzo failed to respond to their request for more information for 77 days. I have just referred to Mr M here.

What happened

Mr M set up an account with Monzo with the intention of setting up a joint account with Ms Y (who already had a Monzo account), but Monzo declined their application. Mr M tried to gain information about this but said Monzo told him he didn't have the right to use Article 22 of the General Data Protection Regulations (GDPR) to do so.

Mr M said Monzo delayed its response and relied on invalid exemptions and didn't refer him to the Information Commissioner's Office (ICO). He said Monzo's marketing material made the process look easy, and didn't mention extra eligibility checks for joint accounts and its refusal leaves an unwanted bank account. Mr M complained that Monzo's staff repeatedly undermined his rights under Article 22 of GDPR, and delayed its response to his request.

Monzo responded that it had followed correct procedures and on the available information it wouldn't offer a joint account and isn't required to provide the specific rationale or go into further detail about the eligibility criteria. Monzo offered to review its decision. Monzo said, when Mr M queried its rejection, his message was read and not replied to appropriately and so he had to call back the next day. Monzo apologised and paid Mr M £25 compensation.

Concerning Mr M's subject access request, Monzo said it sent the transcript of the chat, but not information based on its internal decisions. Mr M said Monzo hadn't addressed his complaint about its marketing material, or why staff repeatedly prevented him exercising his rights and used an invalid exemption. Mr M referred his complaint to our service.

Our investigator didn't recommend the complaint be upheld. He said Monzo reviewed the application in line with its criteria and reached a commercial decision with which we wouldn't interfere. He said banks can decide the criteria for their assessments. The investigator said when Mr M first asked about Monzo's decision there was no mention of a subject access request – and in any event this wouldn't have provided any more information as to why the account was refused. He said Monzo responded to the complaint within a reasonable amount of time and had told Mr M it could review his application 'manually'.

Mr M requested an ombudsman review his complaint. He said he'd raised the matter with the ICO, but it wouldn't give individual redress. He said he hadn't sought an apology from Monzo, but an explanation of its decision, which it hadn't provided.

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.

Monzo reviewed the decision to decline Mr M and Ms Y's application 'manually' and maintained its decline. Mr M seeks information about its reasons. He said Monzo hasn't

fulfilled its legal obligations under GDPR as 'business sensitive' or 'commercial reasons' don't constitute a valid exemptions under the regulations nor align with the ICO's expectation for Monzo to be as transparent as possible.

I realise that the decline of Mr M's application for an account is no longer the subject of his complaint, but it is worth reiterating that banks aren't required to open an account for a customer. I'm satisfied Monzo considered Mr M and Ms Y's application in line with its criteria. I haven't found Monzo's marketing material to be particularly misleading about applications.

Mr M raised his complaint with the ICO. The ICO can decide if a business has failed to respond properly to a request for information and what it should do to put things right and has the power to tell a business to release information. And so this is the correct place for Mr M to have raised his complaint about Monzo's refusal to provide him with the information he has sought. In this respect, the ICO did not require Monzo to release the information Mr M requested, it only went so far as to ask Monzo to reconsider its decision about this.

Monzo has said it hasn't relied on a specific exemption to not share this information and has explained to Mr M that this is a business decision and under data protection law it isn't required to explain business decisions in further detail. As the information is business sensitive, in that it relates to Monzo's internal criteria, I think Monzo is entitled to maintain confidentiality about this. I'm unable to provide Mr M with this information or the specific reasons why his application was refused and it's not for us to determine if there's been a breach of the privacy laws. I agree with the investigator that Monzo hasn't treated Mr M and Ms Y differently to other customers, in similar circumstances.

Monzo has said it would consider a fresh application from Mr M and Ms Y in a few months' time, and it may be in a position to offer the account they have sought, so it may be worth a further application if they wish. In the meantime, I think Monzo could have responded more quickly to Mr M and Ms Y's requests, but I haven't found that it acted in error in its handling of their application or requests for information. As I don't think it was unfair or unreasonable for Monzo to have declined to provide Mr M and Ms Y with the information they requested, I can't require it to do anything further.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Ms Y to accept or reject my decision before 19 September 2023.

Andrew Fraser
Ombudsman