

## **The complaint**

Miss G complains that Monzo Bank Ltd didn't give her appropriate advice when it agreed to "breathing space".

## **What happened**

Miss G says she was in financial difficulties and asked Monzo for help. She says she was given "breathing space" but says it wasn't made clear that she still needed to make required payments and says the payment schedule said the amount needed to pay was "zero". Miss G says Monzo made her position worse and would like compensation as well as an apology. She would also like her credit file amended.

Monzo says it froze interest on accounts in late 2022 and told Miss G it would not take a payment on a loan account. It says it advised Miss G in writing what it was doing to try and help her but says a payment was still required. It also says that Miss G could have made a manual payment and contacted it about payment amounts.

Miss G brought her complaint to us, and our investigator didn't uphold the complaint. The investigator thought Monzo had tried to help Miss G and made the position clear.

Miss G accepts that a payment was required but says her statements said zero for the amount on one account. She questions how much she was meant to pay in those circumstances.

Monzo in answer to further questions I raised says Miss G could have called it but says she told it she was in financial difficulties and so it wasn't expecting any payments.

## **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 have come to the overall view that I don't uphold this complaint.

Lenders should treat customers in financial difficulties positively and sympathetically. I can see that Monzo agreed to a two-month breathing space and so I think did act in such a way.

The key part of the complaint is what Monzo explained to Miss G when it agreed the breathing space. I have looked carefully at Monzo's records and am satisfied it clearly explained the position to Miss G. I can see it explained what would happen to each account and that it would not take the required payment for the loan but that a manual payment could be made. I think that it clear Miss G was in financial difficulties and that Monzo wasn't expecting payments to be made. There is no need for me to repeat exactly what Miss G was told by Monzo, but I'm satisfied that it explained the position and implications of the breathing space.

I appreciate Miss G says on one account the payment amount was shown as zero. I don't think that was a mistake as Monzo had agreed that it would be shown in that way. I also

think that Miss G, if she was able to afford a payment, could have contacted Monza about the amount. It follows that I don't think Monza has made a mistake or acted unfairly here. And I can't order it to pay compensation or amend Miss G's credit file in these circumstances as Monza is obliged to accurately report the account position of its customers to the Credit Reference Agencies.

Overall, I find Monza did explain what a breathing space would mean for Miss G. I can also see Miss G told Monza she was speaking to a debt company about her situation and that it tried to help her.

### **My final decision**

My final decision is that 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 12 September 2023.

David Singh  
**Ombudsman**