

The complaint

Mr M complains on behalf of V, a limited company he's a director of, that Monzo Bank Ltd closed V's account without notice. He'd like an explanation and compensation.

What happened

V had an account with Monzo.

On 20 November 2022 V's account was restricted and on 21 November 2022 V was notified their account would be closed immediately. And they were asked to provide alternative bank details for the funds to be sent. V was told their funds would be returned within two to four weeks. And on 20 December 2022 V's funds were returned to them as requested.

Mr M complained to Monzo, on behalf of V, about the account closure and the withholding of V's funds. Monzo thought they'd acted fairly in closing V's account and not releasing V's funds until 20 December 2022.

Mr M didn't agree so brought V's complaint to our service.

One of our Investigators looked into V's complaint. But they thought Monzo acted fairly in closing V's account and returning V's funds on 20 December 2022.

Mr M didn't agree, in response he said:

- They haven't breached any of the five terms Monzo can rely on to close the account immediately.
- Mr M believes they are accusing V of malpractice

As Mr M didn't agree it was passed to me to decide.

On reviewing V's complaint, I initially reached the conclusion that Monzo acted fairly in closing V's account – however I thought V's funds should have been released by 6 December 2022, not 20 December 2022. And I recommended 8% interest should be awarded between this period. Mr M agreed, but Monzo didn't.

After Monzo's response, I reconsidered my initial thoughts. Although I'm still of the opinion Monzo should have released V's funds sooner, I can't conclude it's fair or appropriate to award V compensation. I advised Mr M of this, and gave him a chance to provide comments.

Mr M responded to say he was disappointed in the change in my outcome. He said Monzo's internal procedures should be aligned with their terms and conditions.

As Mr M didn't agree I proceeded to reconsider my outcome.

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 can only close accounts in certain circumstances and if it's in the terms and conditions of the account. Monzo have relied on the terms and conditions when closing V's account. The terms explain that the bank can close V's account without notice in certain circumstances. I've considered the full circumstances of this complaint and I agree Monzo were entitled to close the account immediately. I appreciate Mr M argues that V *didn't* breach any of the five terms and conditions which allow Monzo to close V's account immediately. However, I'm satisfied Monzo acted fairly based on the confidential information they've shared with our service.

Release of V's funds:

Having reviewed what Monzo's provided, I don't think they've provided sufficient evidence to show they couldn't have released V's funds earlier and by 6 December 2022. But it doesn't follow that I must award V compensation in these circumstances. Instead, I have to consider all the circumstances and information surrounding V's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.

After considering what V has said and the content of Monzo's review, I don't find awarding V compensation would be fair or appropriate. I understand V would naturally want to know the information I have weighed up in order to reach this finding. But I'm treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

DISP 3.5.9R states:

"The ombudsman may:

(1) exclude evidence that would otherwise be admissible in a court or include evidence that would not be admissible in a court;

(2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate;

..."

I've accepted information in confidence which I'm not disclosing to V. And the description of that information is that it's of a nature which justifies Monzo's review and which has led me deciding that awarding V compensation would not be a fair or appropriate outcome.

So, I'm not requiring Monzo to compensate V for financial or other losses they may have experienced as a result of a potential delay in Monzo releasing his funds.

For the reasons I've outlined above I won't be asking Monzo to do anything further.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask V to accept or reject my decision before 29 March 2024.

Jeff Burch
Ombudsman