

The complaint

Mr M complains that Monzo Bank Ltd closed his account without notice and withheld his funds. He'd like compensation for the impact on him.

What happened

Mr M had an account with Monzo. Mr M is also the director a business, I'll call V, who have brought a separate complaint to our service.

On 25 November 2022 Monzo informed Mr M they were closing his account with immediate effect. They told Mr M his funds would be returned within two to four weeks.

Mr M complained to Monzo about the immediate closure and the withholding of his funds. He said he couldn't wait for the money as he needed it to support his children. However, on Monzo offering him advice on where to obtain support Mr M advised there were other people in greater financial need.

Monzo returned Mr M's funds to him on 9 December 2022.

Monzo thought they'd acted fairly in closing Mr M's account and not releasing his funds until 9 December 2022 – so Mr M brought his complaint to our service.

One of our investigators looked into Mr M's complaint – but thought they'd acted fairly. They advised Monzo followed their terms and conditions when restricting the account and released the funds within a reasonable timeframe.

Mr M didn't agree. In response he said:

- His personal account was closed days after V's account. But, if they are separate legal entities how is this fair?
- He doesn't think Monzo gave the required notice period as per the terms and conditions of his account.

As Mr M didn't agree it's been passed 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.

Monzo made its submission in confidence. Our rules permit this; it's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it.

Here, the information (and its source) is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Monzo has treated Mr M fairly. So I'm persuaded I should take it into account when deciding the outcome of the 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 Mr M's account. The terms explain that the bank can close his account without notice in certain specific circumstances. I've considered the full circumstances of this complaint and I agree Monzo were entitled to close Mr M's account without notice.

On Mr M's account being closed Monzo informed him that his funds would be returned within two to four weeks. Mr M raised that this timeframe was too long, and he couldn't wait this amount of time as he has children to care for. I note that he later said this wasn't his only account, and other people needed financial support not him. I've thought about the length of time Monzo took to return Mr M's funds and I'm satisfied they returned them as quickly as I'd expect.

I understand this will disappoint Mr M but I won't be asking Monzo to do anything further here.

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 Mr M to accept or reject my decision before 6 February 2024.

Jeff Burch
Ombudsman