

## **The complaint**

Mr A complains that Monzo Bank Ltd blocked access to his account without notice and without telling him why it had done so.

## **What happened**

Mr A opened an account with Monzo a few years ago. On 8 July 2022 Monzo blocked the account, so that Mr A could not use it to make payments. Credits could still be made to the account.

Mr A asked why the account had been blocked and when he might be able to use it again. Monzo did not give him any details about the reasons for the account restriction and said that it could not say how long it would last.

In the event, the restrictions were lifted on 18 July 2022 – that is, on the eighth working day after they were put in place. Monzo said that the account had been restricted while it carried out regulatory checks. Whilst it did not believe it had done anything wrong, it offered Mr A £115 in recognition of the inconvenience to which he had been put and credited his account with that sum on 25 July 2023.

Mr A complained to this service about what had happened. Our investigator did not recommend that the complaint be upheld. He thought that Monzo was within its rights to restrict the account and that, in any event, the compensation paid was fair in the circumstances.

Mr A did not accept the investigator's assessment and asked that an ombudsman review the case.

## **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, however, I've reached the same conclusions as the investigator did, and for broadly the same reasons.

Banks and other financial institutions have certain legal and regulatory obligations, which in some cases might require them to review customers' accounts. That in turn may require them to place restrictions on an account while that review is completed. Banks do not generally have to give notice of a review or to provide reasons for it.

I am satisfied in this case that Monzo was within its rights to conduct the review and to block Mr A's account while it did so. I am satisfied too that it was not required to give notice to Mr A or to explain its reasons in any more detail than it did.

I have therefore considered how the review was carried out and, in particular, whether the account was restricted for any longer than necessary. The restrictions were lifted after seven working days. That does not seem to me to be unreasonable.

Given that I think Monzo acted within its rights, I don't need to consider the impact on Mr A. I will however comment briefly on that. Mr A says that direct debit payments could not be taken while the account was restricted. I can see from statements in the months before July 2022 that four direct debit payments were likely to have been affected. Mr A would have been able to make any payments which had been missed on or shortly after 18 July 2022. And he says that he had to borrow money; but, again, he would have been able to repay any loans – whether commercial or informal – in the same way.

I note that Mr A has said that his account has since been closed by Monzo. As the investigator explained, however, that is a fairly recent development and not one that forms part of this complaint. I therefore make no comment on it.

### **My final decision**

For these reasons, my final decision is that I do not uphold Mr A's complaint and do not require Monzo Bank Ltd to do anything further to resolve it.

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

Mike Ingram

**Ombudsman**