

The complaint

Mr D complains that Monzo Bank Ltd has prevented him from having access to his own account with them.

What happened

Mr D has had his Monzo account open for several years with a positive balance. Monzo blocked access to Mr D's account when he didn't complete a Customer Data Census, but Mr D was unable to log into his application (app) due to his Personal Identification Number (PIN) being blocked by Monzo in December 2020. Mr D made a complaint to Monzo.

Monzo did not uphold Mr D's complaint. They said Mr D was experiencing an issue logging in to the app, which appeared to be linked to his PIN being blocked. They said while Mr D tried to complete the PIN recovery steps, he experienced an issue with this. Monzo said they can manually look to assist him with this, but they required him to take a picture of himself holding his identification as this will allow them to verify his identity and for them to meet their Know Your Customer (KYC) obligations. Mr D brought his complaint to our service.

Our investigator did not uphold Mr D's complaint. She said the information Monzo requested from Mr D (the Census) was in line with their KYC requirements, but she acknowledged that Monzo could have reiterated to Mr D on 9 March 2023 via their webchat that to access the Census, Mr D would need to complete the PIN recovery process and explain why. She told Mr D that they have apologised for this and have arranged feedback to the chat agent he spoke to. She said there's been no bank error with regards to the information requested or blocks placed on the account. Mr D asked for an ombudsman to review his complaint.

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.

Mr D has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I must make it clear to Mr D that it is not within this service's remit to tell a business how they should satisfy themselves that they are meeting their legal and regulatory requirements, such as their KYC requirements. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct Monzo to make changes to their policies and procedures, if necessary.

Mr D was sent a text message on 9 March 2023, for him to open the Monzo app to update his details, which they said should only take a few minutes. This was a Customer Data Census that Monzo required Mr D to complete. As Mr D attempted a PIN recovery on the same day, which was unsuccessful, he contacted Monzo's chat team.

Monzo let Mr D down on this chat as they didn't understand his query, and they assumed his

problems were due to a new device log in. Monzo have since apologised for this, and I'm satisfied that this is a proportionate course of action here, as Mr D's account was not blocked until a later date.

I've seen Mr D's chat history on 16 April 2023. He asks why he has been locked out of his account. Mr D's account wasn't restricted at this stage due to the Customer Data Census not being completed, but he was unable to access the app due to long running PIN issues. But as part of the reply, the chat agent told Mr D what he would need to do as part of the PIN recovery process.

The chat agent told Mr D the following *"To check that it's you, we'll ask for the 3-digit CVC code (on the back of your card), a photo of your ID and a quick selfie video. After we've checked this (it usually takes under 10 mins) we'll show you your PIN in the app"*. But I've not seen any evidence Mr D provided the *"selfie video"* (or a photograph of him holding his identification)

Mr D was sent a further text message on 24 April 2023, which they've provided us evidence this was delivered to Mr D. The screenshot shows it said *"Update your details in the Monzo app by 14 May ****, or we'll need to restrict access to your app. It's a regulatory requirement that we have this information, so please spend a few minutes answering our questions today."*

Monzo sent Mr D another text message on 10 May 2023, informing him he had five days left to update his details, or they'll need to restrict access to his Monzo app. They confirmed they restricted access to his app via a text message dated 15 May 2023. On 20 July 2023 Monzo sent Mr D another text message asking him to update his details by 7 August 2023 or they would block incoming payments. On 7 August 2023 they sent a text message to inform him they've blocked incoming payments into his account as he hadn't updated his details in time. They told him they'd unblock them when he opens the app and updates his details. So as Mr D had not completed what Monzo had asked him to, I'm not persuaded they acted unfairly in stopping Mr D using the app.

Monzo have told us that their team is happy to continue to help Mr D gain access to his account and they would encourage he gets in touch with them via their chat facility. They said they will still need to identify Mr D (likely through providing selfie identification) and he will need to still complete the PIN recovery process. So Mr D will need to do this if he wants access to his account.

The terms and conditions show that Monzo can *"stop you using your card and/or app if we believe you've"* and one of the reasons is *"put us in a position where we might break the law or are at risk of action from a regulator, law enforcement agency or government body"*. So Monzo would be required to ensure the KYC information of a customer is up to date. So when Mr D didn't complete the Customer Data Census – even if his details haven't changed then Monzo blocked his app which stopped him using his app, in line with the terms and conditions of the account. So I can't say they did anything wrong here. So it follows I don't require Monzo to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 26 February 2024.

Gregory Sloanes
Ombudsman