

The complaint

Mr M complains that Monzo Bank Ltd closed his account. Mr M is also unhappy about the how long it took Monzo to deal with his complaint.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr M had a current account with Monzo.

In June 2023, Monzo reviewed Mr M's account. Following its review, on 19 June 2023, Monzo decided to close Mr M's account. Monzo wrote to Mr M via email to let him know it was no longer able to provide him with banking services. And that it would close his account in two months. Mr M was able to use his account throughout the notice period. Monzo closed Mr M's account on 20 August 2023.

Mr M wasn't happy with this and complained. He asked Monzo to explain why it no longer wanted him as a customer. In response, Monzo said it wasn't obliged to provide Mr M with an explanation why it no longer wanted him as a customer. And said it had closed his account in line with the terms and conditions. Monzo also said it had dealt with Mr M's complaint within the required eight week timeframe.

Mr M remained unhappy and said Monzo had taken as long as possible to respond to his complaint and hadn't carried out any sort of investigation. He said he couldn't think of any reason why the bank would close his account and said he'd always maintained his account properly. He said that Monzo had taken as long as possible to deal with his complaint which he believes is an abuse of the allowed timeframe set by the regulator.

Mr M brought his complaint to our service. Mr M told us that until he opened his Monzo account he'd never had his own bank account. And had only ever had a joint account with his wife. So, his Monzo account was important to him as it gave him some financial freedom. He said having to tell his friends they couldn't send him money because he's account had been closed was embarrassing. Mr M wants his account reopened and compensation for the stress and worry he has been caused.

Mr M brought his complaint to our service where an investigator considered it. The investigator asked Monzo to provide more information about why it had closed Mr M's account. Monzo gave us some information but said it couldn't provide anything more than it had already provided to us. But overall, the bank said it was complying with its legal and regulatory obligations when it had reviewed Mr M's account and had closed the account in line with the terms and conditions.

The investigator said that based on the limited information the bank had provided, he couldn't say the bank had treated Mr M fairly when it had closed his account. So, he said

that Monzo should pay Mr M £100 compensation for the trouble and upset he'd been caused.

In response to the investigator's view Monzo provided more information about the reasons it closed the account. The investigator reviewed the information and issued a second view saying that he couldn't share any more information but that he didn't think the bank had done anything wrong or treated Mr M unfairly when it had closed his account. He also said that whilst Monzo should have answered Mr M's complaint sooner (within 35 days) and Mr M should have been able to come to our service earlier, he didn't think this had much of an impact on Mr M.

Mr M disagreed. He said he wants his account reopened and maintained that he hasn't done anything wrong. He also said it's not fair that Monzo is allowed to abuse time limits in relation to responding to his complaint.

As no agreement could be reached the matter has come 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.

I'll deal firstly with Monzo's decision to close Mr M's account. Sometimes following a review, a bank will decide to close an account. Monzo is entitled to close an account with Mr M just as he is entitled to close his account with Monzo. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. I've looked at the terms and conditions and they state that Monzo could close Mr M's account by giving at least two months' notice. Monzo wrote to Mr M in June 2023, giving him two months' notice that it was closing his account and it told Mr M that he'd need to make alternative banking arrangements. So, I'm satisfied that it's complied with this part.

I've then gone on to consider whether Monzo's reason for closing Mr M's account was fair. In doing so, I appreciate that Monzo are entitled to set their own policies and part of that will form their risk criteria. It is not in my remit to say what policies or risk appetite Monzo should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

After considering all the available evidence and information, I haven't seen evidence to show Monzo closed Mr M's account for an improper reason. There's nothing that I've seen, that suggests it amounted to anything other than a legitimate exercise of its discretion. The reason Monzo gave for closing the account is that it was outside the bank's risk appetite. That in turn means it can choose who it has a customer relationship with. This is a decision that I can't interfere with as it is a commercial business decision.

I understand of course why Mr M wants to know the exact reasons behind Monzo's decision to close his account. It can't be pleasant being told you are no longer wanted as a customer. But Monzo doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr M the reasons why it closed his account, as much as he'd like

to know. So, I can't say it's done anything wrong by not giving Mr M this information. And it wouldn't be appropriate for me to require it to do so.

Mr M has also expressed his dissatisfaction about how long it took Monzo to deal with his complaint. Mr M has said Monzo didn't respond to his initial complaint and took the maximum eight week timescale to give him its final answer about his complaint. Mr M thinks this is an abuse of the allowed timeframes. Monzo agreed at times that it didn't respond to Mr M's complaint as quickly as it should have – its policy is to respond within four business days.

I can see that Mr M complained to Monzo on 19 June 2023, in response Monzo sent Mr M emails on 1 and 7 and 27 July 2023, setting out that due to an increased demand on its resources it hadn't responded to Mr M's complaint as quickly as it should have. There can sometimes be delays in responding to complaints. In those circumstances businesses are expected to advise customers of this. Monzo apologised for the delays, which overall, I think is a reasonable way to resolve this aspect of Mr M's complaint.

Monzo sent a final response to Mr M on 14 August 2023. So it says it has answered Mr M's complaint with the required eight week timeframe. However, under DISP 1.6.2A Monzo should have responded to Mr M's complaint within 15 days, although they could have extended this up to 35 days if they needed further time. Monzo took 56 days to send Mr M its final response letter, which is outside the 35 day timeframe.

I've thought about how Monzo's failings affected Mr M. I appreciate that waiting longer than he should have for an answer to his complaint would have been frustrating for Mr M. But I can't see that this caused Mr M any inconvenience. Even if Mr M had come to our service sooner, having looked at the circumstances of this complaint, I don't think it would have led to a different outcome.

In summary, I know this will be disappointing for Mr M, but with everything I've seen, I won't be asking Monzo to do anything to resolve Mr M's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not 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 26 August 2024.

Sharon Kerrison
Ombudsman