

## **The complaint**

Mr B has complained that Monzo Bank Ltd “Monzo” froze and then closed his account without giving any notice or any reason why it had done so.

## **What happened**

Mr B has held an account with Monzo since 22 August 2020. On 19 July 2023 his account was frozen and closed on the same day.

Unhappy with Monzo’s sudden decision to close his account, Mr B complained.

Monzo issued its final response letter to Mr B’s complaint on 4 August 2023. Monzo apologised for any inconvenience caused to Mr B because of its decision to close his account. But it said that the terms and conditions of the account allow it to freeze or close an account. And so Monzo did not uphold Mr B’s complaint.

After Mr B referred his complaint to this service, one of our investigators upheld the complaint because Monzo had not provided any information about the complaint when it had been asked to do so. However, Monzo belatedly provided its file for Mr B’s complaint. After considering the information that Monzo had provided, the investigator changed their view on the complaint and did not uphold it.

Mr B did not accept the investigator’s findings and so the matter was referred for an ombudsman’s decision.

## **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 reviewed everything, I am unable to uphold this complaint and I have explained why below.

Firstly, in terms of Monzo’s decision to close Mr B’s account, I should explain that financial businesses are entitled to decide for themselves whether to do business or continue doing business with a customer. Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts. Providing an account to a customer is a commercial decision that a financial institution is entitled to take. That’s because it has the commercial freedom to decide who it wants as a customer. And, unless there’s a good reason to do so, this service won’t usually say that a bank must keep a customer.

So, from the outset, I would like to make it clear that Monzo is able to choose to end its business relationship with a customer. However, when doing so, it must do so fairly, in line with the relevant law and regulations and in keeping with the terms and conditions of the account.

As outlined in its final response letter, Monzo says it has relied on the terms and conditions when closing Mr B’s account. Having looked at the terms of Mr B’s account, it says that Monzo can close accounts, in some circumstances with immediate notice, and in others by providing 60 days’ notice to a customer.

In this case, Monzo chose to close Mr B's account immediately, rather than provide him with 60 days' notice. However, when doing so, Monzo needs to provide information to this service so we can fairly decide a complaint. And Monzo has provided information about why it no longer wanted Mr B as a customer and closed his account without providing any notice. Having reviewed that information, I'm satisfied that it did so fairly and reasonably.

I recognise that it is frustrating for Mr B to not know the specific reasons why Monzo decided to close his account - especially as he had been a customer for some time. But Monzo is not obliged to disclose to its customers why it has taken the decision to close an account - as much as Mr B would like to know this. So, I can't say Monzo has done anything wrong by not giving Mr B this information. And it wouldn't be appropriate for me to require it do so.

So having reviewed everything that both parties have provided, I am satisfied that Monzo has acted within the terms and conditions of the account. I am also satisfied that Monzo has acted fairly and reasonably in the circumstances. I therefore can't reasonably say that Monzo should reinstate Mr B's account or tell Mr B the reasons why it decided to close his account.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 May 2024.

Thomas White  
**Ombudsman**