

The complaint

Mr M has complained about the security identification process that Monzo Bank Ltd has asked him to complete in order for him to use its banking app.

What happened

In June 2022 Mr M had to reset his phone, and this resulted in his Monzo app no longer working. He contacted Monzo and it sent him a security link so that he could set the app up again. The app required Mr M to record videos of himself doing various actions, but he was unhappy with some of these, and so he asked Monzo for alternative checks that he could do. Monzo refused to offer alternatives, and Mr M complained about its stance.

On 28 July 2022 Monzo responded to the complaint to say that, in requesting that Mr M complete the actions that it had, it was complying with its procedures in order to ensure the security of his account. It stated that because Mr M's phone had been reset, it appeared to Monzo as a new device. Setting up the app again on the phone consequently required Mr M to verify his identity, and Monzo stated that it did this by requesting him to complete various videos.

A further complaint response was issued by Monzo on 24 August 2022. This reiterated the reasons why it had asked Mr M to complete an ID video to set up the app again, and it highlighted that Monzo is an app-based bank. Monzo stated that it would not be offering an alternative method for Mr M to set up the app on his device. It also commented that with the web chat that it offers, because staff work in shifts, it was sometimes necessary for more than one person to interact with a customer.

Mr M remained unhappy with the situation, and Monzo issued another complaint response on 25 November 2022. This again explained the need to verify Mr M's identity for security reasons.

Since then, Mr M says that his account has been gradually restricted. He raised another complaint to Monzo about its verification procedures. Monzo acknowledged the complaint on 30 July and 3 August 2023, in the latter confirming that Mr M had the right to bring his complaint to this service within six months.

On 6 August Mr M confirmed to Monzo that the core of his complaint related to the video ID check, and the fact that he had asked for an alternative method to do this. He also stated that he had experienced "*some absolutely appalling interactions with your customer services*", both on the phone and via its web chat. Mr M said he had been given contradictory information by Monzo staff, promised call backs had not been made, and he had had to constantly repeat his concerns. He said that at one point his account had incorrectly been frozen. Mr M also said that he had encountered problems when trying to confirm his address, around the time that his bank card was expiring.

On 10 August Monzo issued a further complaint response to Mr M. It again concluded that it had acted reasonably when asking Mr M to complete verification actions using video. It credited Mr M's account with £25 for the delay in responding to his complaint.

Mr M responded by asking if Monzo had taken into account the other issues he had raised on 6 August. Monzo acknowledged his email but did not provide a further response. Mr M then told Monzo that he could not access his bank statements. In September he brought a complaint to this service, commenting upon both the verification process, and also the other issues where he was unhappy with Monzo's actions and its service.

Our investigator did not uphold the complaint. She noted that Monzo had provided four complaint responses to Mr M which covered the reason for the video verification process. The investigator said that Monzo is required to be satisfied that bank account activity is authorised by the account holder. In light of Monzo not having bank branches, her view was that it was reasonable that it require Mr M to complete video verification in order to use its app.

Mr M disagreed with the investigator's findings. He said the core of his complaint had been ignored, highlighting that he had not refused to comply with security checks, but had instead asked for an alternative to video ID. Mr M explained that in his view, Monzo had acted unreasonably when declining that request.

Mr M reiterated his dissatisfaction with Monzo's customer service, and said that the bank had refused to provide him with bank statements when he needed them urgently. He said that restrictions on his account resulting from the dispute about verification checks meant that he was limited to transferring cash into his account, and that this only favoured Monzo, as it assisted its cash flow.

The investigator responded that her view remained Monzo had not been in error in its stance regarding the verification process. She said that once verification has been completed, restrictions on the account can be removed. In terms of Mr M's other areas of dissatisfaction with Monzo, the investigator said that the bank had not formally responded to these, and this was why she hadn't commented on them. She offered to contact Monzo on Mr M's behalf to open a new complaint and respond to it.

Mr M asked that this complaint be referred to an ombudsman.

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.

At outset I should explain the scope of the complaint that I have considered in this decision. Mr M has expressed his dissatisfaction with the levels of customer service he has received from Monzo. This includes contradictory information being given to him, call backs not occurring, and having to repeat the same concerns on a number of occasions. He also says his account was incorrectly frozen at one point, he had problems confirming his address, and he could not access bank statements.

Monzo has not as yet responded to these issues. As our investigator explained, we can look at a complaint about these matters when Monzo has had a chance to address them. Our investigator has offered to contact Monzo to ask it to respond, if Mr M wishes to pursue these issues. Under this complaint, I have only considered what Mr M has expressed as the core of his dissatisfaction, which relates to Monzo's decision not to offer him an alternative method of verification to completing video ID.

In responding to Mr M's dissatisfaction regarding the video ID, Monzo has highlighted that it does not have bank branches. It has said that it is an app-based bank, and for reasons of

both convenience and security, it tries to keep its processes within its app. It is also required to keep funds within its customers' accounts secure, taking steps to protect assets from fraudulent activity. Monzo has explained that using a video ID process is one of its ways that it keeps accounts safe, and if a customer does not use this process, it restricts what actions can be taken on an account. It is not willing to offer Mr M an alternative to this verification process, but Mr M considers this is unfair.

I have thought carefully about Mr M's comments explaining why he is not willing to carry out the video ID process. Although I appreciate he continues to be unhappy about being asked to follow this process, my view is that Monzo is acting reasonably when requesting that it be completed in order to ensure its banking app can operate. There is a requirement on Monzo to keep its customers' money safe. With that in mind, I consider it is fair for Monzo to ask Mr M to carry out its video verification actions. And, as there does not seem to be a reason why Mr M is unable to complete the video ID, on balance my view is that Monzo should not be required to offer him an alternative means to set up the security on his phone app.

I appreciate that Mr M is likely to be disappointed with my findings. But in conclusion, my view is that Monzo has acted reasonably when choosing not to offer Mr M an alternative means to its video ID process in order to complete its security checks.

My final decision

My final decision is that I do not uphold this complaint, and I make no award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 March 2024.

John Swain
Ombudsman