

The complaint

Mr D is unhappy that Monzo Bank Ltd, trading as Monzo, didn't call him before taking money out of his account as per his communication requirements.

What happened

Mr D holds an account with Monzo and has made Monzo aware that he has learning difficulties which make reading difficult for him and which means that letters, emails, or online chat are not suitable modes of communication for him. Because of this, Mr D has a stipulation recorded on his account with Monzo that they must call him before any money is taken from his account.

In July 2023, Monzo withdrew a temporary credit of £39.98 that had been applied to Mr D's account pending the result of an ongoing dispute. But they didn't call Mr D before withdrawing this temporary credit from his account as Mr D felt they should have done as per his stipulation with them. Mr D wasn't happy about this, and he noted that similar events had happened several times previously and so felt that Monzo were discriminating against him based on his communication needs. So, he raised a complaint.

Monzo responded to Mr D and apologised for what had happened. Monzo also accepted that not only had they failed to call him before withdrawing the temporary credit of £39.98, but that they had also failed to call him when they should have done on several prior occasions. Because of this, Monzo upheld Mr D's complaint and agreed to reimburse the £39.98 back to his account, along with £0.15 interest. Monzo also credited Mr D's account with a further £200 as compensation for any trouble and upset he may have incurred. Mr D wasn't satisfied with Monzo's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel that the £200 compensation paid by Monzo was fair, given the impact of what had happened on Mr D. So, they recommended that Monzo should pay a further £50 compensation to Mr D, taking the total amount of compensation payable to £250.

Monzo accepted the view of this complaint put forwards by our investigator, but Mr D did not. Instead, he provided a more detailed account of the impact that Monzo's actions had had on him and asked our investigator to reconsider their position. Our investigator took Mr D's further submission into account and issued an updated view, wherein they increased the amount of additional compensation they said Monzo should pay to Mr D from £50 to £200.

Monzo didn't accept the updated view put forwards by our investigator as they didn't feel that they should fairly be asked to pay a further £200. Rather, they felt the additional £50 as initially recommended by our investigator was fair. So, the matter was escalated to an ombudsman for a final 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.

I issued a provisional decision on this complaint on 28 February 2024 as follows:

Monzo accept that they didn't call Mr D before removing the temporary credit from his account as they should have done. And they also accept that they didn't call Mr D on several other occasions when they should have, as per Mr D's communication needs. Monzo have apologised for this, reimbursed the removed temporary credit to Mr D's account with interest, and have paid £200 compensation to Mr D for any trouble or upset he may have incurred.

Additionally, Monzo have agreed to pay a further £50 compensation to Mr D, in line with the initial view of this complaint put forwards by our investigator. But they don't feel that our investigators updated recommendation for them to pay a further £200 compensation (rather than a further £50 compensation) is fair.

In instances where a business has accepted that it made a mistake, it would generally be expected by this service that the business would take the corrective action necessary to return their customer to the position they should be in, had the error never occurred.

I think that Monzo have done that here. I say this because they've reimbursed the temporary credit back to Mr D's account that they took without calling him, along with interest on that amount for the relevant period. As such, I'm satisfied that Monzo have taken the corrective action necessary to return Mr D to the position he should be in, had they not taken the temporary credit from his account before calling him.

It's unclear if Monzo still plan to remove the temporary credit from Mr D's account, or if they have already done so. However, given that the temporary credit was, by definition, a temporary credit, which was always going to be removed from Mr D's account, it seems reasonable to me that Monzo would remove it – after calling Mr D to advise him of this.

In instances where a business has accepted that it did make a mistake, it would also be generally expected that the business would fairly compensate their customer for any upset or inconvenience their mistake may have caused.

In their response to Mr D's complaint, Monzo did make a payment of £200 to him by way of compensation. But Mr D felt that a higher amount of compensation should fairly be merited because of the impact of Monzo's actions on him. And the amount of total compensation that Monzo should fairly pay Mr D is the remaining point of contention here – with Monzo agreeing to pay a further £50 to Mr D, but not agreeing to pay a further £200.

When deciding what I feel is a fair compensation amount in this instance, I've considered the impact of what happened on Mr D, as he's explained it to this service, as well as the general framework this service uses when assessing compensation amounts – details of which are on this service's website, and which can be explained verbally to Mr D at his request.

But I've also taken into account that Mr D was told by Monzo, when the temporary credit was applied, that the credit would be removed on the specific date that it was removed. Indeed, having listened to a recording of the call between Mr D and Monzo when the temporary credit was applied, I'm satisfied that the fact the credit would be removed on a set date was clearly explained to Mr D, and that Mr D understood this. As such, while I accept that Monzo should have called Mr D before removing the temporary credit on that date, I feel that Mr D's prior knowledge of that removal is a mitigating factor on the impact on him of that removal.

In consideration of all these factors, I feel that a total compensation amount of £250 is fair here. Accordingly, my provisional decision is that I uphold this complaint in Mr D's favour and

instruct Monzo to pay a further £50 to Mr D, in addition to the £200 that they've already paid.

Finally, while Monzo has accepted that they provided poor service to Mr D by not calling him when they should have done, Mr D feels that what Monzo have done goes beyond poor service and feels that Monzo have discriminated against him. But while I accept that Monzo have acted unfairly here, I don't feel that they've acted unfairly in the manner that Mr D contends. So, while I can understand why Mr D feels that he's been discriminated against, given Monzo's failures to meet his communication needs, I'm not convinced that what Monzo have done here does go beyond poor service as Mr D believes.

Monzo responded to my provisional decision and confirmed that they were happy to accept it. Mr D also responded to my provisional decision and said that he wasn't happy with it, especially because this wasn't the first time that Monzo had made these mistakes. Indeed, Mr D has explained that Monzo have been making similar mistakes for several years.

I can appreciate Mr D's dissatisfaction here. But it must be confirmed that this complaint – and the compensation I've deemed as being fair for this complaint – is only regarding the specific mistakes made by Monzo as described in the opening section of this letter. And this complaint isn't in consideration of any earlier mistakes Monzo might have made that may have previously been considered by earlier complaints that Mr D might have made. Additionally, this service isn't a regulatory body, and so it isn't within the remit of this service to punish or fine a business because of repeated mistakes.

Mr D also reiterated that he feels that he's been discriminated against by Monzo. However, I addressed this point in my provisional decision letter and I can confirm that my position on this aspect of Mr D's complaint hasn't changed.

Ultimately, having listened to the phone call between Mr D and our investigator and having taken on board Mr D's ongoing concerns, I continue to feel that the provisional decision I reached, as described above, is a fair outcome to what happened here – for the reasons described in that provisional decision.

As such, while I appreciate this won't be the outcome Mr D was wanting, my final decision is that I uphold this complaint against Monzo on the same basis as described in my provisional decision. And I won't be instructing Monzo to take any further or alternative action beyond that. I hope that Mr D will understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Monzo must pay a further £50 to Mr D, taking the total compensation payable to £250.

My final decision

My final decision is that I uphold this complaint against Monzo Bank Ltd, trading as Monzo, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 23 April 2024.

Paul Cooper
Ombudsman