

The complaint

Mr H complains that Monzo Bank closed his account without providing a proper explanation. Mr H is also unhappy about how Monzo handled 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 H had a current account with Monzo.

In December 2023, Monzo reviewed Mr H's account. Following its review, on 6 December 2023, Monzo decided to close Mr H's account. Monzo wrote to Mr H via email to let him know it was no longer able to provide him with banking services and gave him 60 days to make alternative banking arrangements. During the notice period Mr H had full use of his account.

Mr H wasn't happy with this and asked Monzo to explain why it no longer wanted him as a customer. He said he was a law abiding citizen and had operated his account with transparency and probity over a number of years. So, he was very upset and concerned that Monzo had decided it no longer wanted him as a customer.

Mr H explained that over the Christmas period his mood was impacted by Monzo's actions because he spent time worrying about the reasons behind Monzo's decision to close his account. At the time Mr H says he was awaiting surgery to remove a tumour, so the situation with Monzo made an already challenging situation much more difficult.

In response Monzo said it wasn't obliged to provide Mr H with an explanation. Mr H maintained that he wanted the reasons that sat behind Monzo's decision to close his account. So, he complained. Monzo said it would look into his complaint and provide him with an outcome by the end of January 2024. On 21 January 2024, Monzo sent Mr H a final response letter. Mr remained unhappy and said that Monzo hadn't contacted him to clarify his complaint points.

One of our investigators reviewed the complaint. He said Monzo hadn't done anything wrong when it had closed Mr H's account. So, he didn't uphold Mr H's complaint.

Mr H disagreed and asked for an ombudsman to review his complaint.

As no agreement could be reached the complaint 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 would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Monzo has treated Mr H fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

There are two parts to Mr H's complaint. The first is about Monzo's decision to close his account and lack of explanation for this decision. The second is about Mr H's unhappiness with how his complaint was handled by Monzo – namely that no one from the bank got in touch with him to discuss or clarify his complaint points before a final response letter was issued.

This decision will address the first part of Mr H's complaint, but not the second. This is because the second part of Mr H's complaint falls under 'complaint handling', and this Service does not deal with complaints about complaint handling.

To explain further, there are limitations to what types of complaint this service can look into. Broadly speaking, we can only look into activities that are regulated by the Financial Conduct Authority (FCA). The FCA's Dispute Resolution (DISP) rules outline what activities fall within this Services' jurisdiction (DISP 2.3). But complaint handling is not one of the activities listed.

I've looked at the emails and in app chat between Mr H and Monzo's complaint handling department. And I understand that Mr H felt his complaint wasn't being taken seriously and was being treated as a tick box exercise by Monzo. This is because Monzo asked him to clarify his complaint points and no one got in touch with Mr H to discuss why Mr H was upset.

I do understand why Mr H would have been frustrated at not receiving the response he wanted – however, Monzo did send Mr H a final response letter setting out why they weren't upholding his complaint, which is what I'd expect it to do. And I can't see that the issues Mr H experienced impacted his ability to bring his complaint to our service. The final response letter set out in detail the complaint it had received from Mr H and how it had addressed all the issues raised – albeit not to Mr H's satisfaction.

Where complaint handling forms part of a customer's complaint, then we can take into account complaint handling when looking at the overall customer experience. In this case, I can't say the issues which Mr H has raised about Monzo's complaint handling are an extension of the issues which relate to regulated activities, so I'm not going to comment on whether Monzo should have clarified Mr H's complaint points with him.

I'll next deal with Monzo's decision to close Mr H's account. Sometimes following a review, a bank will decide to close an account. Monzo is entitled to close an account with Mr H just as he is entitled to close his account with Monzo – which is a position Mr H also appears to accept. 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 H's account by giving at least two months' notice. And in some instances, it could close the account immediately.

Monzo wrote to Mr H in December 2023, giving two months' notice that it was closing his account and told Mr H 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 H'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.

I've then gone on to consider whether the bank's reasons for closing the account was fair. This can be due to a number of reasons and a bank isn't obliged to give a reason to the customer. Monzo has provided some further details of its decision making process, I'm sorry but I can't share this information with Mr H due to its commercial sensitivity. But I've seen nothing to suggest Monzo's decision around closing Mr H's account was unfair.

I understand of course why Mr H 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 H 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 H this information. And it wouldn't be appropriate for me to require it to do so.

In summary, I know this will be disappointing for Mr H, but with everything I've seen I'm satisfied that Monzo has acted appropriately here and that it has treated Mr H fairly, so I won't be asking it to do anything to resolve Mr H'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 H to accept or reject my decision before 28 October 2024.

Sharon Kerrison
Ombudsman