

## **The complaint**

Mr J is unhappy with the service he received from Monzo Bank Ltd when it blocked his account after he fell victim to a scam.

## **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 J has an account with Monzo.

In August 2022, Mr J fell victim to a scam when he was contacted by fraudsters pretending to be Monzo. The scammers paid just over £45 into Mr J's account and told him to set up a bitcoin wallet in his name. Mr J then transferred around £240 of his own funds to the bitcoin wallet. The scammers then accessed the bitcoin wallet and stole the money. Mr J discovered he'd been scammed after he called Monzo intending to give them some positive feedback about how they'd handled his cryptocurrency transaction.

On the same day, Monzo received a fraud report from another bank which identified the £45 payment as fraudulent. That is the holder of the account had been the victim of scam and hadn't authorised the payment. In response, Monzo asked the other bank to send it an indemnity so that it could return the £45.

Following this Monzo decided to block Mr J's account whilst it looked into things and to protect Mr J's account from further fraud. Mr J discovered he couldn't access his account and contacted Monzo using its in app chat facility to find out what was happening. However, each time Mr J contacted Monzo he dealt with a different advisor and Monzo didn't explain what it was doing, why it had blocked his account and how long it would take to complete its investigation.

On 15 August 2022 Monzo chased the other bank for its indemnity. The other bank sent this on 16 August 2022. Monzo then told Mr J that it would be removing the block on his account and looking into the scam. However, the blocks weren't removed from Mr J's account until 29 August 2022.

Mr J said that the block on his account made life very difficult for him. He explained to Monzo that he was expecting his DWP payment and had to get this rearranged to be paid into another high fee account he had as due to the block the payment couldn't be accepted into his Monzo account. He also said that at the time he was caring for his partner who'd taken an overdose, and looking after their young child. He said he'd also started a new job and was working twelve hours days, so Monzo's actions made an already difficult situation much more challenging and stressful. Overall, he said that Monzo hadn't shown him any care or given his circumstances any consideration, instead he said that Monzo just passed him from pillar to post. And hadn't helped him at all.

Mr J complained to Monzo about the continued block on his account. And he raised a subject access request. In response, Monzo said that it had carried on blocking his account because Mr J had told them he didn't recognise another transaction on his account when he first contacted them about the scam. Mr J said that this didn't make sense and that the bank should have dealt with this much sooner, when he'd first contacted them about falling victim to the bitcoin wallet scam. He told Monzo that he did recognise the transaction. He also said that Monzo hadn't dealt with his complaint properly, or responded to his subject access request.

In response, Monzo accepted it had fallen short in the service it provided Mr J. Monzo said it should have done things much quicker, it accepted that it hadn't fully understood Mr J at times when it spoke to him and that Mr J had received a lot of repetitive messages from several different online advisors. Monzo also acknowledged that it didn't address all of Mr J's complaint points and had taken too long to respond to his subject access request. Monzo apologised and paid Mr J a total of £355 compensation for the trouble and upset the matter had caused him.

Mr J said that the compensation didn't adequately reflect the amount of trouble and upset he'd been caused. So he brought his complaint to our service where one of our investigator's looked into what had happened.

The investigator asked Mr J for some more information about how Monzo's actions had impacted him. Mr J said that his mental health had been impacted and said that he was struggling to cope on a daily basis. He said Monzo's advisors didn't show him much care and didn't seem to have an appreciation for his circumstances. He said they made him feel terrible using emoji's and making flippant comments such as telling him to have a nice day when signing off in app chats.

Mr J also said that he now suffers with anxiety and finds it difficult to talk to new people. He says he has lost all confidence in banks and his anxiety increases whenever he has to speak to financial businesses.

After reviewing everything, the investigator said she didn't think Monzo had done anything wrong when it had blocked Mr J's account initially. However, she said that Monzo kept Mr J's account blocked for longer than necessary. She agreed that the service Monzo provided Mr J had fallen short. But she said that the compensation already paid by Monzo was fair and reasonable.

Mr J disagreed. He said he wasn't able to receive his DWP benefit payment into his account in early August 2022 because of the block on his account. And having to explain repeatedly to different advisors what had happened added to his distress.

The investigator looked at everything again and said that Monzo should do more to put things right. She said Monzo should pay Mr J a total of £400 compensation for the overall distress and inconvenience the matter had caused Mr J. Monzo agreed. Mr J didn't. He wants more compensation.

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.

No one appears to be disputing Mr J has fallen victim to a scam. Mr J has also made it clear to this service that he isn't complaining about the scam, so I won't be making any comments on this.

I do need to however consider whether the offer of £400 compensation is sufficient - £355 already paid and the additional £45 recommended by the investigator. Mr J has explained that he is seeking more compensation – he has suggested around £700, for the distress, anxiety and inconvenience he was caused.

I understand Mr J's frustration and upset at what happened. And I'm sorry to hear that Mr J has had to cope with some very difficult circumstances at home, which I appreciate would have been made more challenging because of Monzo's actions. But Monzo has apologised for its poor service and taking too long to remove the block on Mr J's account. Monzo has also agreed to increase its offer of compensation and pay Mr J £400 compensation. Taking everything into account I think that's fair and reasonable compensation for what happened and any distress and inconvenience he has been caused.

Having looked at everything I agree with the investigator that Monzo could've removed the block from Mr J's account sooner and continued to look into Mr J's scam complaint in the background – this would have avoided Mr J having to rearrange his DWP payment to be sent to another account. And allowed him to manage his finances much more easily, which would have eased his stress and anxiety. Monzo blocked Mr J's account for around four weeks – more or less the whole month of August 2022. So, I think the recommendation, made by the investigator to increase the compensation was a fair one which was for Monzo to pay £45 on top of the £355 compensation already paid for the distress and inconvenience this matter has caused. This was to recognise that the service Monzo's provided Mr J wasn't as good as it should have been.

Having looked at all the evidence of this complaint I agree that compensation should be paid. I appreciate the difficult personal circumstances Mr J was experiencing at the time Monzo blocked his account that he has shared with us. Whilst I appreciate Monzo's actions was another issue for Mr J to deal with, overall, although I recognise Mr J's strength of feeling, I don't think on balance that I can fairly or reasonably ask Monzo to do anything more including paying him any more compensation, including the amount of £700 he has suggested, as he'd like. Taking everything into account, I think a total of £400 compensation is fair and reasonable.

### **My final decision**

My final decision is that I uphold this complaint.

In full and final settlement Monzo Bank Ltd should pay Mr J an additional £45 compensation (bringing the total amount of compensation to £400) for the distress and inconvenience of not removing the block from Mr J's account sooner.

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

Sharon Kerrison  
**Ombudsman**