

The complaint

Mrs M complains that Monzo Bank Ltd (“Monzo”) were slow to explain why her credit card payments didn’t reduce despite her making payments to the account. She’s also unhappy that they didn’t help when she was experiencing financial difficulty.

What happened

In August 2022 Mrs M was accepted for a Flex credit card with Monzo.

In March 2023 she reached out to them. She emailed asking why *“no matter how much I pay back, the monthly payments keep rising?”* She wanted Monzo to extend the repayment terms on her card.

Monzo didn’t initially reply and Mrs M, therefore, escalated her complaint to this team.

In our investigator’s final View, he thought Monzo could have done more to respond to Mrs M and he suggested they should pay her £200 in compensation.

As Mrs M didn’t respond to the investigator’s most recent View her complaint has been passed to me, an ombudsman, for a 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 agree with the investigator’s opinion. I’ll explain why.

Where the information I’ve got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I’ve read and considered the whole file, but I’ll concentrate my comments on what I think is relevant. If I don’t comment on any specific point it’s not because I’ve failed to take it on board and think about it but because I don’t think I need to comment on it in order to reach what I think is the right outcome.

I can’t see that Monzo explained how the card worked, and why monthly payments may keep rising even when payments were made towards the account, until 9 August 2023. They explained the way Mrs M’s Flex account worked and that she would:

“[...] select an instalment plan for each transaction before the end of the next day or we’ll automatically put you on the lowest monthly plan, which is 12 months instalments [...]. We’ll take the first instalment on your next payment date. We’ll confirm the date and amount of each instalment when you select a plan [...] There were different times for the transactions so some cleared before others. So, what is due to pay each month is variable and can go up and down. You would have been able to pay the flex off sooner, if you hadn’t

made more transactions. Extra payments come off your flex plan and not off the next payment due. If you feel payments are unaffordable we can explore options.”

While there were times when Mrs M didn't return Monzo's messages, there were quite lengthy delay periods in which Monzo promised to get back to Mrs M but didn't e.g., in May 2023. I think Monzo should compensate Mrs M for the distress and inconvenience that caused.

I can't see that Monzo were aware of Mrs M's autism until 14 August 2023 and that was after Mrs M had escalated her complaint to this Service. So, I don't think it would be fair to suggest they didn't take that into account in their earlier communications. But when they wrote to Mrs M on 17 August 2023 I can't see they made any adjustments to make things easier for her to understand. Considering all of those issues, I would agree with our investigator's suggestion that Monzo should pay Mrs M £200 in compensation.

Monzo have an obligation to report accurate information to consumers credit files. Having reviewed Mrs M's file I can't see Monzo have made any mistakes in that regard and I'm not asking them to amend the file.

I'm pleased to see that since Mrs M raised the matter with this Service she has been able to agree a suitable repayment plan with Monzo.

My final decision

For the reasons I've given above, I uphold this complaint and tell Monzo Bank Ltd to pay Mrs M £200 to compensate her for the distress and inconvenience she's experienced.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 29 May 2024.

Phillip McMahon
Ombudsman