

## **The complaint**

Mr O complains that Monzo Bank Ltd unfairly blocked a transaction and restricted his account.

Mr O wants Monzo to pay more compensation than it has paid so far.

## **What happened**

In early September 2023, Mr O tried to transfer £2,500 to a relative. Monzo stopped the transaction for further checks and restricted his account.

Mr O was unhappy with the time Monzo took to speak to him about the transaction. He explained that his relative urgently needed the money and was upset by the delay. Mr O said that this has damaged his relationship with his relative.

Later the same day, Mr O told Monzo not to process the transaction as his relative made other arrangements. Monzo lifted the account restriction on 5 September 2023. Mr O says he wasn't able to feed his family for over 24 hours.

Monzo explained that its automated system flagged the transaction as risky so it restricted Mr O's account. Monzo didn't uphold Mr O's complaint but it offered a goodwill credit of £25.

Monzo told Mr O that the in app message he saw about the review process taking 30 minutes, related to the time taken to review the answers provided. It was not an indication of how long the review itself would take.

Monzo said that there was a lot of back and forth after it asked for further evidence of the transaction and that this caused some delay with its investigation.

Monzo said that once it reviewed the information Mr O supplied on 5 September 2023, the restriction was lifted. Although Mr O was unhappy with the way Monzo spoke to him, it said that staff had given him the correct information.

Our investigator didn't uphold Mr O's complaint. When he issued his first investigation outcome, our investigator had not received Monzo's business file. He told Mr O that he thought Monzo's goodwill gesture was fair.

Our investigator explained that Monzo has a duty to keep Mr O's account secure. As the account was only blocked for just over 24 hours, our investigator didn't think Mr O was without money for a long time or unable to feed his family.

Mr O was unhappy with the investigation outcome. He said that by paying him £25, Monzo admitted it made a mistake. Mr O said the block was in place for four days, not 24 hours. Mr O said the block caused him a lot of distress and left him unable to buy basic items. Mr O pointed out that he had shared everything with our service whereas Monzo had not.

After Monzo shared its business file with us, our investigator went back to Mr O to say he still wasn't upholding his complaint. He said the evidence showed the block was removed within

48 hours and he thought that was reasonable.

Mr O remains unhappy with the outcome. He says £25 was not a gesture of goodwill and instead was compensation to close the case. Mr O says that trying to make a payment of £2,500 should not have left his account blocked for four days. He wants Monzo to pay more compensation for the trauma it has caused.

### **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 realise that I've summarised Mr O's complaint in less detail than the parties and that I've done so using my own words. The rules that govern this service allow me to do so. But this doesn't mean I've not considered everything that both parties have given to me.

I would first like to say that I understand Mr O's frustration when Monzo delayed the transaction for further checks and restricted his account. But as our investigator explained, banks have a duty to protect their customers from fraud. And the terms of Mr O's account allow Monzo to refuse to make a payment if it suspects its customer may be a victim of fraud.

I understand Mr O knew the person he wanted to pay and that the relative was facing personal difficulties if they didn't receive the money on time. But there has been a recent rise in the number of impersonation scams involving criminals posing as family members. So, I can't say it was unreasonable for Monzo to ask for further information about the transaction.

The evidence supplied by Monzo indicates that a fraud specialist contacted Mr O at about 2:15pm on 4 September 2023. Although Mr O was anxious for the payment to be made as soon as possible, I don't consider there was an unreasonable delay on the part of Monzo.

After the fraud specialist spoke with Mr O, she asked for further evidence of the transaction. Again, I understand Mr O found this frustrating but I don't think Monzo's information request was unreasonable.

Although Mr O told Monzo that he no longer wanted to proceed with the transaction, I don't think this means it was unfair of Monzo to ask for evidence of the transaction before removing the account restriction. After Mr O supplied further information on 5 September 2023, Monzo lifted the restriction. So, I don't think there was an unreasonable delay in removing the account restriction.

The evidence supplied by Monzo shows that it told Mr O about the account restriction around 9 am on 4 September 2023. And by just after 3pm on 5 September 2023, Monzo told Mr O that the restriction had been removed. This makes it difficult for me to find that Mr O's bank account was restricted for four days as he has told our investigator. Instead, based on the account notes, it seems Mr O's account was restricted for less than 48 hours.

This doesn't detract from the fact that Mr O was left inconvenienced by the restriction of his account, but I don't think he faced days without access to funds. Mr O also told Monzo that he could have used another bank account to make the payment to his relative, which suggests he may have had an alternative way of accessing funds.

Monzo offered £25 compensation for Mr O's experience but it did so as a gesture of goodwill. I don't agree that it means Monzo admitted it made a mistake. So, the fact that Monzo made the payment to Mr O doesn't mean that I must now uphold the complaint.

Mr O has told our investigator that he wants to return the £25 payment. If this is the case, I suggest that Mr O speaks to Monzo.

Overall, I don't consider Monzo made a mistake or treated Mr O unfairly. So, I don't require it to pay more compensation or take further action. I am sorry that this is likely to disappoint Mr O.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 12 June 2024.

Gemma Bowen  
**Ombudsman**