

## **The complaint**

Mr P is unhappy Monzo Bank Ltd closed his account during a period of financial difficulty.

## **What happened**

Mr P has told us:

- Mr P had an account with Monzo. In April 2023 he asked to increase his overdraft limit because he was in financial difficulties. Monzo declined the request and didn't offer him any further support in repaying the overdraft of around £760 despite the fact he told it he was unwell, going through surgery and was unable to work so had no income.
- He feels Monzo has discriminated against him by closing his account when he was ill and in financial difficulty.
- He's said Monzo also harassed him by contacting him repeatedly about the repayments that were overdue and with its requests for information. He feels it threatened him by stating non-repayment may affect his credit file and that it breached his rights under data protection laws by contacting third parties about the debt.

Monzo has told us:

- Mr P requested an increase to his overdraft in April 2023 because he was behind with bills. Monzo asked him for some further information relating to his use of the account – in particular the gambling transactions - and didn't receive a response. The request was declined and Mr P responded and said he had hospital bills to pay. Monzo asked for more information about this but Mr P asked Monzo to stop harassing him.
- From April – June 2023 Mr P hadn't paid anything into the account. Monzo sent reminders about this in line with its policy. On 10 June 2023 Mr P responded and asked Monzo to stop harassing him.
- On 30 June 2023 Monzo informed Mr P it would be closing his account in 60 days' time.
- In July 2023 Mr P told Monzo he was due to have surgery in August 2023 and confirmed he was in financial difficulties. He asked for an increase to his overdraft limit which wasn't approved. Monzo asked Mr P for more information relating to his personal and financial circumstances but he said he'd asked Monzo for help and in response it had harassed him by asking him questions.

- In August 2023 Mr P again told Monzo about his surgery. Monzo requested further information from him so it could offer support but Mr P again requested an increase in his overdraft and declined to respond to Monzo's request for information.
- Monzo closed Mr P's account on 12 September 2023. It passed the outstanding balance to its recoveries team who continued to contact Mr P about repayment.

I issued my provisional decision earlier this year. In summary I said that:

- Monzo is entitled to apply its own risk criteria when considering whether or not to keep a customer, in line with its commercial discretion. Overall, having seen the reasons it had decided to close Mr P's account, which I was not able to share with him, I was satisfied it was acting reasonably and in line with the terms and conditions of the account in giving him 60 days' notice of its intention to close it.
  - I considered whether or not this decision was fair in light of the financial difficulties Mr P was facing but overall I didn't think his financial circumstances reasonably ought to have changed its position.
  - I outlined that Mr P had borrowed money by requesting an overdraft in early April 2023. In around three weeks this borrowing was increased to £760, mostly due to gambling transactions. No further payment was made to the account until it was closed in September 2023. Throughout this period I saw evidence of numerous attempts Monzo made to speak to Mr P about his financial circumstances as it recognised potential financial difficulties. It asked him for reasonable information relating to his income and expenditure. It also provided him with details of free debt advice that was available to him. So it acted as I would've expected to see in the circumstances.
  - I also said from what I could see from all the correspondence Mr P repeatedly refused to answer Monzo's questions or provide any information about his circumstances. He only requested additional increases to his borrowing and asked it to stop harassing him. Because of this, I didn't think Mr P had made reasonable attempts to engage with Monzo about the repayment of his debt. For this reason I felt it was reasonable Monzo proceeded with its decision to close the account.
  - I could see Mr P was unwell for some of this period. He was undergoing an operation and he was unable to work from August 2023. But although he did tell Monzo about this, he refused to answer any further questions requesting details of his financial circumstances as a result of this medical treatment. I said that whilst I acknowledged Mr P was unwell, this didn't mean that he didn't have to engage with Monzo about his debt. I also pointed out Mr P said the surgery that prevented him from working didn't take place until early August 2023, months after he stopped making any payments to the account.
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- Mr P had said Monzo discriminated against him on the basis he was disabled while he was incapacitated due to his ill health and surgery. I explained it was not my role to decide whether discrimination has taken place – only the courts have the power to decide this. But I had considered the relevant law in relation to what Mr P had said when deciding what I thought was the fair and reasonable outcome. Part of this meant considering the provisions of The Equality Act 2010 (The Act). And after

looking at all the evidence, I hadn't seen anything to suggest that Monzo would've treated another customer with similar circumstances any differently than Mr P. So, I couldn't say Monzo treated Mr P unfairly.

- I said I hadn't seen any evidence Mr P was told by Monzo it would keep his account open beyond the 60 days' notice period and I couldn't see any reason Monzo ought reasonably to have offered this given no meaningful arrangement for repayment had been reached and Mr P hadn't provided any details relating to his circumstances.
- I said I hadn't seen any evidence to suggest that Monzo had passed the debt to third parties as Mr P had said it had. And whilst it had reported his management of the account to third party credit reference agencies, I was satisfied the terms and conditions of the account allowed it to do this.

Mr P didn't accept my provisional decision. He said that:

- Monzo had discriminated against him and harassed him by contacting him when he was in ill health from early August 2023. He felt it had breached The Equality Act 2010 and I hadn't taken this into account when making my decision.
- He said he did engage with Monzo and kept it up to date with his situation and it should've waited for his health to improve before taking any action.
- He stated again that Monzo had passed the debt to 'private debt collectors' and I had misunderstood what he'd said in relation to this point.

Monzo didn't respond to the provisional decision by the deadline provided.

### **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.

Having done so I'm not persuaded to depart from the findings in my provisional decision – summarised above – but I would like to provide some clarification in response to some of Mr P's additional points.

I've already explained how I've considered this complaint in light of The Equality Act 2010 (The Act) and I've summarised my findings above which haven't changed. So I won't repeat these findings again here.

But, I would like to clarify for Mr P that even in a situation where he was unwell and unable to work, he still needed to engage meaningfully with Monzo which I don't think he did. He didn't answer any reasonable, relevant questions about his financial circumstances. Such as details of his income or expenditure, how long he might be unable to work or when he might be able to make payments to the account. The answers and information he provided weren't sufficient as they didn't allow Monzo to arrange a reasonable repayment plan with him.

In response to the provisional decision Mr P again said he was contacted by third party debt collectors to chase him for his debt with Monzo. We've asked him for further details or evidence of the contact he received but he hasn't provided any further information in relation to this point.

Based on the evidence I've seen, I can't see Monzo has treated Mr P unfairly. So it doesn't need to do anything further.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 April 2025.

Faye Brownhill  
**Ombudsman**