

The complaint

Miss O complains that Monzo Bank Ltd blocked her account and failed to respond to her request to increase her daily withdrawal limit.

What happened

In November 2023, prior to going on holiday, Miss O says that she advised Monzo she would be going on holiday and asked it to increase her daily withdrawal limit to around £1,000. In late November, she deposited over £2,600 into the account. Then she found that the account was blocked. She contacted Monzo, who unblocked the account. During an online chat she asked for her limit to be increased to around £3,000. She was asked what she needed the increase for and she said hotel bills and food. Monzo pointed her to the app where she could request the increase.

When she complained to Monzo, it told her it couldn't tell her the precise reason but the account was temporarily frozen to keep her and her account safe. Monzo says the account was frozen for around 30 minutes.

Miss O complained to the Financial Ombudsman Service. She said that her account had been frozen for several days causing her great difficulty when on holiday. She also said that Monzo had refused to tell her why it had frozen the account when she had taken steps to tell it what she was doing. She also says that Monzo had failed to increase her withdrawal limit when she said it had specifically been agreed.

Our Investigator said that Monzo advised that the account was unblocked after about 30 minutes. He also didn't think that its explanation for the block was unreasonable or that it went against the terms and conditions of Miss O's account.

Miss O said that the account was not unblocked and that it remained blocked for several hours afterwards. She also said that she had taken proactive steps to prevent such an occurrence before she went on holiday. And that Monzo hadn't followed its own processes. And she had asked it for evidence but it had failed to supply any.

The matter was passed to me for an Ombudsman's consideration. I issued a provisional decision. Essentially I did not uphold the complaint but addressed Miss O's complaints about the failure to increase her withdrawal limit.

Neither party responded to my provisional 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.

The following were my provisional findings:

"I think it's important to distinguish Miss O wanting to increase her daily withdrawal limit and Monzo blocking her account. As I say, they are two different things."

First of all Miss O says that before she went on holiday, she asked for an increase to her daily withdrawal limit to £1,000. Although I haven't seen evidence of the changes in the limit. But as I've said that is different from the account being blocked, and as the account blocking procedure is an automated one and will apply in certain circumstances, it would not be possible for Monzo to ensure in advance that the account will not be blocked. So, just telling it that she was going on holiday and asking it to increase her limit would not have made any difference to whether the account was blocked or not.

Monzo is not required to tell customers the reason for blocking an account. In this case it had to carry out a review of the account and was unable to tell Miss O of the precise reason for this. And in those circumstances, it must satisfy itself if the account can be unblocked, and if so to take prompt steps to do so. In this case the account was blocked for just over 30 minutes. I think that was reasonable and would have caused the minimal amount of disruption to Miss O. I'm satisfied that Monzo did not make an error in this respect and that it complied with the terms and conditions of the account.

Miss O also says it wasn't unblocked that quickly. However she told us when she made her complaint that it was blocked for several days, but in response to our Investigator's view that it was blocked "for hours".

But this brings me to the question of the withdrawal limit. I think that, bearing in mind that she spent over £1,000 on the day that her account was blocked, it's likely that she had reached the limit she had previously requested. In considering the online chat, it appears that Miss O, after being told that the account was unblocked, asked for the withdrawal limit to be increased to £3,000. She said the reason for this was to pay for hotels and food, and she had already used the money. She was directed to the app so that she could apply for the withdrawal limit to be increased. The agent on the chat responded to Miss O and asked her if she required any further support as there was an indication that she was struggling to pay for hotels and food. The chat ended there and I've seen no further evidence that Miss O complained, while she was abroad, that she was unable to use the app or needed her limit to be increased.

I think the account was unblocked when Monzo said it was. I've reviewed Miss O's statement and it is evident that she was able to use the account on the day it was blocked (no attempted payments were returned) and over the next six days until she returned to the UK. I can also see that she made transfers into the account from another account in her name.

As for Miss O's inability to get evidence from Monzo, I've noted that she made a "subject access request" in respect of her applications for increase in limits. But I note that she failed to follow this up when she was advised that her ID evidence was unsatisfactory.

So overall I think that Monzo acted fairly and that Miss O had access to funds when she was on holiday.

As neither party has responded to my provisional findings, I remain persuaded by them. Those findings are now final and form part of this final decision.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 17 July 2024.

Ray Lawley
Ombudsman