DRN-4884308

The complaint

Mrs I complains that Monzo Bank Ltd (Monzo) closed her bank account without giving her a reason. She also says that she hasn't received a payment that was made to the account, and two refunds she was expecting.

Mrs I also complains that she received poor customer service from Monzo.

The details of this complaint are well known to both parties, so I won't repeat everything again here. Instead, I will focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- Monzo wrote to Mrs I in October 2023 to say it had decided it was closing her bank account and it was giving her 60 days' notice. The letter said it didn't have to give a reason for closing the account but explained it's terms and conditions allowed it to do this.

  I've reviewed the terms and conditions of the account and I'm satisfied they allow Monzo to close the account, without giving a reason, as long as it gives the customer 60 days notice.

  I'm satisfied Monzo gave Mrs I reasonable notice of the closure of the account and therefore acted in line with the terms and conditions. I appreciate Mrs I might want more information about why Monzo decided to close the account, but closing an account is a commercial decision and one Monzo is entitled to make.

- Monzo closed the account, once the 60 days expired. After closing the account, Mrs I received two refunds into the account – one in late December 2023 and another in February 2024.

  In both instances I'm satisfied that Monzo transferred the refunds to Mrs I's nominated account within a reasonable timeframe, so I don't think it needs to do anything further on this point.

- In mid- December 2023, Mrs I was transferred some money to her Monzo account – but it had already closed. She says this hasn't been paid to her or returned to the sender.

  Monzo said the money never reached the account because it was closed and it would have bounced back to the sender. Mrs I says the sender hasn't received the funds back. Both have provided evidence to support what they've said.

I'm satisfied Monzo has done what we expect – it's shown me the statements which prove the money never reached Mrs I's account. So, I don't think it's withholding the funds. It has told Mrs I to ask the sender to raise a credit payment recovery trace with its own bank. This seems reasonable to me, and I don't think Monzo needs to do anything further.

- There's been occasions where Mrs I hasn't received the best customer service from Monzo. She was asked on several occasions to provide photo ID so staff members could access the account. And she was also told members of staff would get back to her about the issues she was trying to raise, and they didn't. Monzo originally offered £80 compensation for this, but our investigator thought they should increase this to £150.

  Monzo was happy to pay this. But Mrs I said this whole situation caused her a lot of stress and worry and she has provided details of her circumstances at the time. I've thought about what's happened, and taken into account the inconvenience and worry caused to Mrs I and I'm satisfied £150 reflects the trouble and upset caused.

Putting things right

Monzo has already paid £80 compensation to Mrs I for the poor service she received. I think they should increase this compensation to £150 in total, so they should pay an additional £70 to Mrs I.

My final decision

Monzo Bank Ltd should pay an additional £70 to Mrs I, bringing the total compensation paid to £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 7 October 2024.

Rachel Killian
Ombudsman