

The complaint

E, a business, complains that Monzo Bank Ltd didn't make clear that E would also need an account with a different business it was partnered with to receive a currency payment.

What happened

E says it contacted Monzo to ask if it could receive a payment in Polish currency into its account. E says it was told it could and although it was suggested that it used the named business, says it wasn't told that it would need to set up an account. E says that the payment wasn't received as it gave its Monzo account details.

Monzo Bank accepted that it hadn't provided good service when E raised this and so paid it £75. It had referred E to the partnered business about its complaint when E didn't have an account with it. And it hadn't taken into account that E had already been in touch with that business and been told that it couldn't assist as it had used its Monzo account details to try to receive the payment. Monzo Bank said that it didn't accept payments directly in this currency. It said that as a result E would need to ask the sender of the payment to contact its bank as it couldn't assist with tracing this payment.

Our investigator recommended that Monzo Bank pay E a further £125 and it agreed to do so. She said that Monzo Bank should have been more explicit in its response to E and said that it needed to set up an account at the other business. Monzo Bank wasn't able to track the payment as it was unable to receive a payment in this currency direct to E's bank account. And it wrongly told E to contact the other business more than once. E had been caused inconvenience and should be compensated for this further.

E didn't agree and wanted its complaint to be reviewed. It said that the compensation was too low given the financial implications for the owner of E of what happened. E considered that Monzo Bank had claimed that there was integration with the partnered business. Monzo Bank had tried to shift the blame onto that business when E didn't have an account with it.

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 have reviewed the details of an online chat between E and Monzo Bank. E simply asked whether it could receive a payment in Polish Zloty. Monzo Bank gave an answer which referred to the business it had partnered with and said that it suggested that E use that business. I don't see that this response was intended to explain in detail how to receive a payment. But it didn't explicitly say that E would need to set up an account with that business or state for example how E would find the relevant international bank account number (IBAN). It asked if it could help with anything else.

I can see that for E the response could have been clearer. E didn't set up an account with the other business and gave the client its Monzo Bank IBAN details. And when E queried what had happened Monzo Bank referred E to the other business more than once, even

though E didn't have an account with it.

E has been in touch with the client and hadn't then been able to trace the payment which I understand in sterling equivalent to be over £2,750. It wants to be compensated for what happened.

I'm not persuaded that Monzo Bank is fairly responsible for a financial loss for E. The position is that it couldn't accept direct payments in this currency and there were details about how to receive payments online. I have assessed its response to E's question above and it did more than answer yes to the question and in a qualified response referred to the business it was partnered with. Unfortunately, it wasn't able to trace the missing payment or assist further. I'm afraid as it says it will be a matter for E to pursue this with the client and through it the sending bank to establish where this payment has gone as it clearly wasn't credited to or visible to Monzo Bank.

I agree that E has been caused inconvenience in the way that Monzo Bank has dealt with the issue. Having taken into account our published guidelines about compensation I consider that the total amount now recommended by our investigator of £200 is fair. This means a further £125 for E. I appreciate that this is less than E wants taking into account the size of the payment it didn't receive. But I don't have a basis to require Monzo Bank to do more than this for the reasons I've given. If E doesn't accept my decision it remains free to pursue this matter in court and subject to any relevant time limits.

My final decision

My decision is that I uphold this complaint in part and require Monzo Bank Ltd to pay E a further £125 making total compensation of £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 16 September 2024.

Michael Crewe
Ombudsman