

The complaint

Mr F complains Monzo Bank Ltd treated him unfairly when he tried to open a new account.

What happened

The facts of the complaint are well known to both parties, so I will only provide a summary of the key points.

Mr F had a Monzo account which closed in April 2020. In October 2023 Mr F tried to apply for a new account with Monzo. However, as his phone number was connected to his previous account Mr F was unable to complete the application process.

Mr F contacted Monzo for assistance and was required to provide a selfie with him holding his ID. Mr F says the process for opening the account was unnecessarily complicated and discriminatory.

Monzo reviewed Mr F's complaint and explained that it had the requirement for a selfie with ID to ensure it provides a secure process for customers and helps protect against fraud and financial crime. Monzo acknowledged the service Mr F received should've been to a higher standard and the issues with setting up his account should've been identified sooner. Monzo offered Mr F £50 in recognition of the inconvenience this caused Mr F.

Mr F remained unhappy and referred his complaint to our service. Mr F explained he was subjected to an excessive and arduous process to open the account, communicate with Monzo and when he made a data subject access request. Mr F says he is being treated unfairly and this is for discriminatory reasons.

An Investigator reviewed Mr F's concerns and found the following:

- Monzo did provide a poor service when Mr F tried to apply for a new account as it should've invalidated Mr F's phone number from his previous account. It also provided Mr F with conflicting information.
- It is not for our service to say if Monzo has acted in a discriminatory manner, and they were satisfied Monzo had generally acted fairly.
- The selfie requirement was reasonable as it was for a separate process and there to provide a secure process for customers.
- The offer of £50 for the poor service received was fair.

Mr F didn't agree with the view – he explained the compensation amount failed to recognise the impact Monzo's actions had on him.

As no agreement could be reached the case has been referred to me – an ombudsman – for a final 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.

I can see the application process with Monzo for a new account has been a source of stress for Mr F. Mr F says it was arduous and discriminatory. Firstly, I must highlight that Monzo is entitled to decide what process it puts in place for new applications. This includes the security measures it decides to have in place when communicating with customers. Based on the evidence I've seen Monzo's ID and selfie requirements were reasonable and in keeping with general industry practice for ensuring customer information is secure and to prevent fraud. So I don't think it acted unfairly when it asked for this information when it communicated with Mr F.

Mr F says it was unnecessary for another selfie to be submitted when he made his data subject access request. I understand Mr F's frustration with this, but this was a separate process for Monzo and given the sensitive information that can be released as part of a DSAR I think it was reasonable for Monzo to have a separate secure process for this request.

Mr F says that Monzo's requirements and actions are discriminatory and there is a trend with individuals being debanked for unfair reasons. While I can appreciate this is his perspective, it is not my role to decide whether discrimination has taken place – only the courts have the power to decide this. I have, however, considered the relevant law in relation to what Mr F has said when deciding what I think is the fair and reasonable outcome. Part of this has meant considering the provisions of The Equality Act 2010 (The Act). And after looking at all the evidence, I've not seen anything to suggest that this was the case. So, I haven't found that Monzo decided to impose requirements for Mr F for any improper reasons.

As part of his complaint Mr F has explained that the data subject access request (DSAR) he made didn't reveal the reasons for his account closure. Although a DSAR will provide Mr F with the information Monzo holds about him, this wouldn't necessarily extend to specific details about Mr F's application and account. I must also highlight that if Mr F is unhappy with the information he has received as under the DSAR then this isn't an issue this service can review. The Information Commissioners Office is best suited to look into any concerns he has around the content of the DSAR and whether Monzo has complied with its obligations with regards to data.

Mr F has raised concerns about Monzo's reason for closing his account. The new application wasn't processed correctly due to the issue with Mr F's phone number. Monzo has since confirmed that it has provided conflicting information to Mr F. The application wasn't declined by them – instead it seems that the account was closed by Mr F. Monzo has since explained that Mr F is able to apply again for an account should he wish to do so.

Monzo accepts that there were instances where the service Mr F received throughout the application process could've been better. It's offered £50 in recognition of these failings. Mr F says this offer is unacceptable given the time and resource spent on the issue and the poor treatment he received. I've thought carefully about this amount in light of Mr F's comments about the impact the complaint has had on him. Reaching an award for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact on the consumer can be difficult to determine. Our awards are not intended to be punitive for businesses and are there to reflect the impact on a customer. I appreciate the application with Monzo has taken up Mr F's time, but as the requirements it had in place were reasonable, I don't think it needs to compensate Mr F for this. The poor communication at the time from Monzo contributed to the stress Mr F experienced and I think the £50 offered fairly reflects the impact of this.

I know this will not be the outcome Mr F was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Monzo to increase its offer of compensation.

My final decision

Monzo Bank Ltd has already paid fair compensation in the circumstances of this complaint. I make no further award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 6 November 2024.

Chandni Green
Ombudsman