

The complaint

Miss H and Miss W complain that Monzo Bank Ltd (Monzo) closed their joint account without notice. It then took Monzo a long time to transfer the money to a new account.

This caused them a lot of stress and worry, which they'd like to be compensated for.

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on why I have reached 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've reached the following conclusions:

Closure of the account

Monzo said it emailed Miss W on 1 November 2023 explaining it was closing their bank account in 60 days. It didn't give a reason for closing the account, but said it was entitled to do so under the terms and conditions of the account.

Miss H and Miss W say they never received this email. They became aware their account was closed in early January when they were unable to view it online.

Monzo has provided a screen shot of the email it sent to Miss W explaining the account was going to be closed. The email is dated 1 November 2023 and is addressed to Miss W's email address, it also shows as 'delivered'. Based on this evidence, I think it's more likely than not, that Monzo informed Miss H and Miss W that it was going to close the account within 60 days. And I think it's more likely that Miss H and Miss W didn't see the email or missed it. I cannot hold Monzo responsible for this.

I've gone on to consider whether Monzo acted fairly when it closed Miss H and Miss W's account. It's generally for banks and financial businesses to decide whether it wants to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

Monzo have relied on the terms and conditions of Miss H and Miss W's account, and it doesn't have to provide its reasons to them for closing the account. But it has provided reasoning to our service, which I'm satisfied that the rules of our service allow me to treat as confidential. Having looked at this information, I'm satisfied that Monzo's concerns are legitimate. So, I don't see it's unreasonable that it decided to close Miss H and Miss W's account, which is in line with the terms of the account. I'm also satisfied that it closed the account 60 days after giving Miss H and Miss W notice.

Release of funds

As soon as Miss H and Miss W became aware the account was closed in early January 2024, they contacted Monzo to arrange for their money to be transferred to a different account.

Monzo took down the details of the new account and started the process of transferring the funds. I can see Miss H and Miss W were in regular contact with Monzo wanting to know when the money would be moved, so they could arrange to pay bills.

Several representatives explained to Miss H and Miss W that it could take between two and four weeks for the funds to be transferred. So, I think Monzo was clear in its communication about how long it was likely to take.

I can see the money was transferred to the new account by the end of January, so within the timeframe Monzo said. Therefore, I'm satisfied that Monzo did what it said it would.

Is compensation due?

I acknowledge this has been a very stressful and frustrating situation for Miss H and Miss W. I have read their testimonies and I appreciate the knock-on effect this has had on their mental health and financial situation.

But, to award compensation, I'd need to be satisfied Monzo made an error and caused distress and inconvenience. Taking everything into account, and for the reasons I've given above, I don't think Monzo has made an error.

It's unfortunate that Miss H and Miss W didn't see the email from Monzo in November 2023 – but I can't hold Monzo responsible for that.

My final decision

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H and Miss W to accept or reject my decision before 9 October 2024.

Rachel Killian
Ombudsman