

## **The complaint**

Mr M complains that Monzo Bank Ltd unfairly closed his account and that it didn't return the full balance that remained at the time.

## **What happened**

In August last year, following an earlier decision to close Mr M's account with two months' notice - Monzo decided to close his account immediately. The bank returned around £1,000 of the account balance to Mr M.

After Mr M complained, Monzo explained that it had closed his account in line with its terms. It also informed Mr M that part of his remaining balance - £329.89 – was returned to source. I understand that Mr M was informed by Monzo that the funds were returned to HM Revenue & Customs. Remaining unhappy, Mr M asked for this service to review his complaint. He'd like Monzo to reimburse him for the funds that were returned to source. Our investigator concluded that the bank had acted fairly.

Following our investigator's view, Mr M submitted some information to prove his entitlement to the funds that were returned to source. However, our investigator didn't feel that the information Mr M provided was satisfactory proof of his entitlement to the funds. Mr M disagreed with the investigator's opinion and asked for a final decision. So the complaint has been passed to me.

## **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.

Banks that operate in the UK (including Monzo) are required to carry out specific actions to meet their legal and regulatory obligations. This includes the requirement for banks to complete ongoing monitoring of existing business relationships. And that sometimes results in banks deciding to restrict or - in some instances - close customer accounts.

Monzo has provided me with information to show why it reviewed Mr M's account. Having considered this, I'm satisfied the bank acted in line with its regulatory obligations.

Monzo is entitled to close an account. However, in doing so, it must ensure it complies with the terms and conditions of the account. The terms of the account say that Monzo can close Mr M's account by giving him at least two months' notice. In certain circumstances, the bank can also close an account immediately.

Monzo initially gave Mr M two months' notice that it was closing his accounts – it later decided to close his account immediately. Based on the information I've seen, I'm satisfied that Monzo acted fairly and in line with its terms and conditions when doing so.

I understand Mr M's concern, given he would like to know why Monzo closed his accounts. Although I acknowledge that Mr M may have some understanding of why his account was

closed, the bank is under no obligation to explain why it made this decision.

It's important that I point out that our rules allow us to receive evidence in confidence. We may treat evidence from banks as confidential for several reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Monzo has provided is information I consider should be kept confidential.

Mr M remains unhappy that some of the balance in his account was returned to source. I've noted that before making its closure decision, Monzo contacted Mr M on two occasions via its chat service, asking him for information about some payments he received into his account. I can't see that Mr M responded to the requests from the bank, so I don't find it unreasonable that Monzo made its decision in the absence of this information.

Mr M has since been able to share some more information about one of the payments Monzo asked him about – which was a credit of £1,000 on 24 May 2023. Mr M says this was part of a payment he received for the sale of a car and he's provided a copy of a handwritten note of the sale. Although our investigator asked Mr M for other records to demonstrate that these funds were indeed received as payment for the sale of a car, Mr M hasn't been able to provide any further information.

So I share our investigator's conclusion on this – the handwritten note Mr M has provided doesn't persuade me that the payment in question was for the sale of a car. Given this, I think Monzo acted reasonably by returning some of the funds that remained to source.

I'm also satisfied that Monzo returned the rest of Mr M's balance without an unreasonable delay – Monzo says Mr M provided his alternative bank details on 21 August 2023 and his funds were returned the following day. I can see from having listened to the relevant call recording and from Mr M's statements that this is accurate. So, although I can see that Mr M expressed concerns about when he'd receive his funds when he spoke to Monzo – I'm satisfied that the time taken by the bank was reasonable.

Overall, I'm satisfied Monzo closed Mr M's account fairly and in line with its terms. And I've decided that Monzo acted reasonably when it sent some of Mr M's remaining balance back to source.

### **My final decision**

For the reasons explained, I'm not upholding this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 November 2024.

Abdul Ali  
**Ombudsman**