

The complaint

Mr U complains that Monzo Bank Ltd (Monzo”) closed his account, with immediate effect.

Mr U would like Monzo to allow him to open a new account as he wants to use Monzo’s banking services again.

What happened

In April 2024, Mr U opened an account with Monzo. There was no activity on the account and on 22 May 2024, Monzo wrote to Mr U to confirm it would be closing his account with immediate effect.

Monzo explained that it closed Mr U’s account in line with the account terms and as part of its legal and regulatory responsibilities.

Mr U subsequently contacted Monzo and asked it to remove his mobile phone number from its records, so that he could open a new account. Monzo confirmed it could not remove his phone number from its systems as it was required to retain this data. And that it would not be offering Mr U another account.

Mr U remained unhappy because Monzo would not give him a reason for the closure of his account, nor would it open a new account for Mr U.

Mr U brought his complaint to our service and one of our Investigator’s looked into things. In short, our Investigator’s findings were:

- Monzo were not obliged to provide Mr U with a reason for closing his account
- Mr U provided our service with two different versions of events about how he had allowed his account to be accessed by a third party, prior to the account being closed
- Monzo had acted in line with the account terms when it decided to close Mr U’s account – and had treated him fairly in doing so.

Mr U didn’t agree with what our Investigator said. In summary, he said

- He was mis-led into allowing a third party to access his account however he would not allow this to happen again
- He would still like Monzo to allow him to use its services and to open an account for him.

As an agreement could not be reached, this complaint has been passed to me to decide.

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.

Monzo, like all other banks in the UK are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means banks need to restrict, or in some cases even close customers' accounts.

Monzo has shared why it decided to close Mr U's account with our service. Having carefully considered this, I'm satisfied Monzo closed the account in line with its terms and didn't treat Mr U unfairly by doing so.

I acknowledge Mr U would like Monzo to provide the reasons for its decision to close his account. But I should explain that Monzo is not obliged to provide this information to Mr U.

Mr U says he was tricked into sharing his account details and I appreciate this has left him in a difficult position and without a Monzo account. But Monzo has exercised its commercial discretion by not offering Mr U access to its banking facilities. This isn't something our service generally interferes with, nor can I say Monzo has acted unfairly here.

Having reviewed everything, I think Monzo have acted reasonably in the circumstances of the complaint, so I won't be directing Monzo to do anything to put things right. I note Mr U wants Monzo to open a new account for him, but it is free to decide who it offers its accounts to. So I don't think its refusal to do so is unfair or unreasonable.

My final decision

For the reasons above, I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 3 January 2025.

Khadijah Nakhuda
Ombudsman