

## **The complaint**

Miss O is unhappy that Monzo Bank Ltd closed her account.

## **What happened**

Following a review, in May 2024 Monzo gave Miss O 60 days' notice of its decision to close her account. The account was closed on 2 July 2024.

Miss O was unhappy with Monzo's decision to close her account especially given she's a previous investor in Monzo. She feels it's treated her unfairly. She made a complaint to Monzo and it considered this but didn't think it had done anything wrong. It did, however, note that it had provided insufficient customer service earlier in the year when asking Miss O for documentation and offered £50 for the distress and inconvenience caused.

Our investigator considered the complaint but didn't think Monzo had done anything wrong. As Miss O didn't accept this the complaint has been passed to me to make a 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'll start by setting out some context for Monzo's review of Miss O's account. Banks and financial businesses have important legal and regulatory obligations they must meet when providing accounts to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime. It's common industry practice for businesses to restrict access to an account to conduct a review on a customer and/or the activity on an account. This means Monzo is entitled to block and review an account at any time.

Banks and financial businesses are also entitled to end their relationship with a customer, as long as this is done fairly, doesn't breach law or regulations and is in keeping with the terms and conditions. And it doesn't have to provide the details of why it's made this decision. This doesn't change even if its customer is also separately and investor in the business.

I understand Miss O wants Monzo to explain the reason it closed her account. It can't be pleasant being told you are no longer wanted as a customer. But Monzo is under no obligation to tell Miss O the reasons behind its decision, as much as she'd like to know. So, I can't say it's done anything wrong by not giving Miss O this information. And it wouldn't be appropriate for me to require it to do so.

Banks are entitled to decide for themselves whether to do business or continue doing business with a customer. Each financial institution has its own criteria and risk assessment for deciding whether to continue providing accounts and providing an account to a customer and this is a commercial decision that a financial institution is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer.

Monzo can only close accounts in certain circumstances and if it's in the terms and conditions of the account. Monzo have relied on the terms and conditions when closing Miss O's accounts and, it has provided supporting evidence to show why the terms and conditions it's relied on are applicable in this case. Having reviewed this information, I'm satisfied it has acted fairly. Whilst I can't disclose more information about this to Miss O I hope I can provide assurance that her account wasn't closed for an improper reason.

During the course of our investigation it was identified that Monzo had requested information from Miss O before the account was closed. Miss O did respond to this but was asking for confirmation this was a genuine request from Monzo – checking it wasn't a potential scam. Monzo didn't address this completely, instead giving Miss O general fraud and scams warnings which ultimately resulted in her not providing the information requested.

And whilst I can see the decision to close the account was made without a response to this information, Monzo has said it was satisfied it had enough information without the response to this request to close the account within the terms and conditions. And, having reviewed the information it based its decision I think this is reasonable. So Miss O hasn't been disadvantaged by this.

However, Monzo has acknowledged it could've provided better customer service in relation to this point and has offered £50 to recognise the distress and inconvenience this may have caused. I think this is reasonable.

### **My final decision**

If it hasn't already, Monzo Bank Ltd should pay Miss O £50. Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 9 January 2025.

Faye Brownhill  
**Ombudsman**