

The complaint

Mr A complains Monzo Bank Ltd declined an account application unfairly.

What happened

Mr A applied for a Monzo account, but it was declined. Mr A then applied a couple more times and was declined each time.

Mr A has a respected, well-paid job and felt he met all the criteria needed for an account with Monzo. Mr A complained to Monzo, to find out why he'd been declined, Mr A felt the decline of the account could be due to his nationality.

Monzo responded to say it followed its internal processes and procedures. Monzo said it couldn't disclose more information about the decision-making process.

Unhappy with this response Mr A brought his complaint to this service. An investigator looked into things and thought Mr A's complaint should be upheld.

The investigator asked Monzo to explain why it had declined Mr A's application, but it wouldn't explain the exact reasons, only it never used nationality as a reason to decline an account.

The investigator was satisfied Monzo hadn't based its decision on Mr A's nationality, or discriminated against him, but felt the lack of explanation about the decline would have caused Mr A distress. The investigator thought Monzo should pay Mr A £150.

Mr A didn't respond to the investigator's assessment.

Monzo responded to say it wanted an ombudsman to decide the complaint.

The complaint was passed to me to decide things and I issued a provisional decision.

My provisional decision

I contacted Monzo as I didn't feel it had fully explained the reasoning behind its decision to decline Mr A's application. Monzo responded to say how Mr A intended to use the account sat outside its risk appetite for new accounts.

I'm satisfied this is the reason Monzo declined Mr A's account.

I'm also satisfied Monzo didn't base its decision on Mr A's nationality.

I know Mr A would like a full explanation behind the decline of his account, but I don't think Monzo needs to fully explain things. Monzo says its risk decision making is confidential, and I think this is a reasonable thing to say.

If Monzo fully explains its decision making, this might allow people to circumvent this and open accounts Monzo isn't prepared to offer. I realise Mr A may not look to circumvent the process, but I think Monzo's still entitled to keep certain information confidential.

Monzo says Mr A's subsequent applications, all made soon after the initial decline, were automatically declined. This seems a fair decision for Monzo to make.

I think Monzo had fairly decided to decline Mr A's account, it wasn't going to change its decision because Mr A made further applications.

In the specific circumstances of Mr A's complaint, I think Monzo made a fair and reasonable decision to decline his account.

Responses to my provisional decision

Monzo didn't respond to my provisional decision, and it didn't need to.

Mr A responded to say he wanted some clarity around my comment Monzo's decision was based on how Mr A intended to use the account. Mr A wanted to know if this was a direct accusation.

I can see the investigator replied to Mr A, but also said I'd issued a final decision, and this wasn't correct. But, having considered the responses to my provisional decision I can now issue 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.

My thinking hasn't changed following Mr A's comments.

I'm satisfied Monzo made its decision to decline Mr A's account following a thorough review of his application.

I don't think there's been an accusation about Mr A, but simply Monzo using all the information it had to reach a reasonable decision to decline Mr A's application.

And the same reasoning continues from my provisional decision, I don't expect Monzo to fully explain its decision making. And I'm still satisfied Monzo reached a fair and reasonable decision in declining Mr A's account application.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 November 2024.

Chris Russ
Ombudsman