

The complaint

Ms J is unhappy that Monzo Bank Ltd have restricted her access to her account and with the service she's received from Monzo when trying to regain access to her account.

What happened

In early 2024, Ms J obtained a new mobile phone and in early March 2024 she tried to log into her Monzo account using that new phone. However, on 6 March 2024 Ms J received a message from Monzo advising her that her account was restricted. The message explained that Monzo's system had flagged a security risk and asked Ms J to message Monzo using a device that she had previously used on her Monzo account (such as her old mobile phone).

Several days later, on 8 March, Ms J responded to Monzo and explained that she'd changed her phone and had tried to access her Monzo account using her new phone. Monzo responded to Ms J that same day and explained that they would log Ms J out of her Monzo account and then send her a link via email to enable her to log back in. Monzo also explained that they would send a new debit card to Ms J, and that when the new card arrived, Ms J could complete a process, which would include providing a selfie video to Monzo, to obtain a new PIN for that new card.

Ms J received a new debit card from Monzo, but she was unable to successfully complete the selfie video process to receive a new PIN which would have allowed her to regain access to her account. Ms J contacted Monzo on 27 March and advised them of this, but several days passed without Ms J receiving a response from Monzo.

On 5 April – almost a month after Ms J's account was first restricted by Monzo – Ms J reached out to Monzo again and explained that she had tried to follow Monzo's instructions several times without success and now wanted to close her Monzo account. Monzo acknowledged Ms J's message, but several more days passed without Monzo providing any further response to Ms J.

On 11 April, Ms J reached out to Monzo again and expressed her increasing frustration and dissatisfaction with them. Monzo again acknowledged Ms J's message and asked her (again) to use a different device to try to access her account. And Monzo also explained that they had passed what was happening with Ms J's account to their specialist team, who would investigate the matter and get back to Ms J. Monzo also offered to raise a complaint about what had happened for Ms J at that time – an offer which Ms J accepted.

Several weeks then passed without progress until 6 May – two months after Ms J's account had first been restricted – when Monzo said that an unrecognised device or person had attempted to access her account, and which again asked Ms J to log in to her Monzo account using a different device.

The following day, 7 May, Ms J messaged Monzo confirmed that she had logged into her account using her old mobile phone and asking what steps she now needed to take to regain access to her account. The next day, Monzo asked Ms J to update her password, which Ms J did a few days after that.

Monzo then explained to Ms J that she still needed to obtain a new PIN for the new debit card that she'd received and asked Ms J to complete the same process, which included the provision of a selfie video, that Ms J had tried without success nearly two months earlier on 8 March. Ms J attempted the process to obtain a new PIN once again, including sending in a selfie video, and again the process didn't work. And Ms J again asked Monzo to help her regain access to her account and her money held within it.

On 17 May, with Ms J's access to her account still not restored, Monzo sent Ms J a response to her complaint. In their response, Monzo accepted that they hadn't provided a reasonable standard of service to Ms J surrounding her attempts to gain access to her account. Monzo apologised to Ms J for this and paid £50 to her as compensation for any trouble or upset she may have incurred as a result. However, Monzo's complaint response also incorrectly stated that Ms J's account was overdrawn, when in fact it held several hundred pounds.

On 18 May, Ms J contacted Monzo again, unhappy that she still had no access to her account and concerned about Monzo's statement that her account was overdrawn. Monzo apologised to Ms J and said that there had been a 'typo' in their complaint response letter and confirmed that Ms J's account was not overdrawn. However, before Monzo would confirm the exact balance of Ms J's account to her, they required her to complete a process wherein she had to send a selfie photo of herself. Ms J completed that process and Monzo then confirmed that her account balance was as Ms J believed that it should be.

Ms J then asked the Monzo agent she was communicating with for help in accessing her account and noted that she still hadn't been given a new PIN for her new debit card. In response, Monzo's agent asked Ms J to complete the same selfie video process that Ms J had already unsuccessfully tried to complete on two separate occasions.

Ms J tried to access Monzo's home page to attempt the process for a third time but was unable to do so because her PIN to access the Monzo app had been blocked. Monzo attempted to unblock Ms J's app PIN, but without success, and so asked Ms J to uninstall and then reinstall the Monzo app on her phone. Ms J did as she was asked by Monzo but found that her app PIN still didn't work.

A different Monzo agent then took over the call and was able to unblock Ms J's app PIN so that she could access Monzo's app. The agent then asked Ms J to complete the selfie video process again, but again this didn't work. Ms J asked if there was any other way that she could authenticate herself to receive the PIN but was told that the only way to receive a new PIN was to complete the selfie video process that she'd now unsuccessfully attempted on three separate occasions. Ms J attempted the process once again, but again the process didn't work.

Monzo's agent then explained that he would log Ms J out of the Monzo app and send Ms J a link to enable her to log back in (repeating the process that Ms J had undertaken over two months earlier, on 8 March). However, when Ms J logged back in, she did so on her new mobile phone, which led Monzo to again ask her to log back in again on her old mobile phone. In response, Ms J explained that the microphone on her old mobile phone wasn't working, which she suspected might be the reason the selfie video process wasn't working.

Monzo then explained to Ms J that they would pass her information to their specialist team (again, having already done so on 11 April) who would investigate the matter and get back to her. Several further weeks then passed without any contact or update from Monzo to Ms J, and on 11 June – over three months after Ms J's account was first restricted – Ms J chased Monzo again. Additionally, frustrated at her lack of progress with Monzo, Ms J referred her complaint to this service.

In response to Ms J's 11 June update request, Monzo explained there was no update they could give to Ms J other than that their specialist team were looking into the matter for her.

Nine days later, on 20 June, Monzo messaged Ms J with the same message they'd initially sent her in March, stating that an unrecognised person or device had attempted to access her account and that her account was frozen because of this. Ms J responded and explained that she had simply changed her phone and that despite following Monzo's instructions on numerous occasions that she still hadn't been given a new PIN to enable her to access her account.

The next day, Monzo again asked Ms J to log into her Monzo account using her old mobile phone. Then, on 26 June, Monzo sent a message to Ms J saying that as they hadn't heard from her in response to the message that they'd sent five days earlier that they wouldn't be looking into her account access difficulties any further. Ms J didn't respond to this message, and she engaged in no further communication with them, preferring instead to attempt to resolve the matter via this service.

One of our investigators looked at this complaint and liaised with both Ms J and Monzo about it. During our investigators review, Monzo reassessed their position on this complaint and offered a further £100 compensation to Ms J for the poor service she'd received, taking the total compensation amount to £150. Monzo also explained that they would need Ms J to complete the new PIN process – the selfie video process that Ms J had tried unsuccessfully on multiple occasions to complete – to provide a new PIN to her to enable her to regain access to her account.

Our investigator felt that Monzo's revised offer represented a fair outcome to Ms J's complaint. However, Ms J did not agree, and so the matter was escalated to an ombudsman for 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.

I issued a provisional decision on this complaint on 18 October 2024 as follows:

I feel that the service that Ms J has received from Monzo here surrounding her attempts to regain access to her account has been, by any reasonable standard, very poor.

The timeline I've described above shows that Ms J has been effectively trapped by Monzo's inflexible process requirements from which she's been unable to escape. And this has led to Ms J being asked by an ever-changing cast of Monzo agents – none of which appear to have taken the time to understand the history of Ms J's difficulties – to repeat procedures on multiple occasions that she's already demonstrated that she can't complete.

This service doesn't have the remit or authority to instruct a business to change its policies or procedures. But this service can award compensation and losses and instruct a business to act in a one-off manner in instances where the rote following of a policy or process has led to an unfair outcome for a customer. And I'm satisfied that this is clearly what has happened in this instance.

Monzo have explained that they have concerns that persons other than Ms J have provided a selfie video to obtain a PIN for Ms J's debit card. But even in consideration of this concern, which I accept is valid, I feel that Monzo could and reasonably should have taken additional

steps here to confirm whether they are engaging with Ms J. And I note that Monzo have accepted a photo selfie from Ms J when providing her with her account balance on 18 May.

Ultimately, Ms J has been without access to her money for eight and a half months at the time of writing. And given that Ms J has attempted to follow Monzo's selfie video process on several occasion without success, I feel that the onus is very firmly on Monzo to provide an alternative way for Ms J to access her account, or at the very least to communicate with Ms J in a clearer and more effective manner than they have done until now and have a single point of contact for Ms J who can take ownership of this situation until it is resolved.

I would therefore strongly encourage Monzo to reach out to Ms J once more, in consideration of what I've explained above. And while I can appreciate Ms J's reluctance to engage with Monzo about this matter, given that poor standard of service that she'd received from them so far, and given that Monzo gave Ms J the right to refer her complaint to this service before they had resolved the underlying issue, I'm afraid that I must ask her to do so.

However, I will be provisionally upholding this complaint in Ms J's favour and instructing Monzo to pay a further £450 compensation to her for the frustration and inconvenience that she's unfairly had to endure here. This takes the total amount of compensation payable to Ms J to £500 – which I feel more fairly reflects the sub-standard experience that Ms J has been subjected to.

Additionally, I feel that it should have been recognised by Monzo when Ms J wasn't able to successfully complete the selfie video process for a second time that the process might not be suitable for Ms J's circumstances, such that issue ownership, clearer communication, and potentially alternative authentication options should have been considered. And I also feel that there shouldn't have been the lengthy gaps in communication from Monzo before Ms J was asked to complete that process for a second time.

Because of this, I feel that Ms J has been unfairly deprived of access to the money in her account by Monzo from 1 May onwards. That is to say that I feel that Monzo should reasonably have recognised by 1 May that Ms J might not be able to complete their required process and that Monzo should have done something to address this and resolve the impasse at hand. And so, in consideration of this, my provisional instructions here also include that Monzo must pay 8% interest on Ms J's account balance from 1 May until the date that Ms J's access to her account is restored.

I finish this provisional decision letter by strongly encouraging Monzo to act to resolve this ongoing issue as a matter of urgency. This is in the hope that both Monzo and Ms J will be able to confirm to me that Ms J has been able to access her Monzo account, or withdraw the money from it to another account that can be confirmed to be held by Ms J in her name, before the deadline for responses to this provisional decision – which, to confirm, is 1 November 2024.

Monzo responded to my provisional decision and accepted that there had been service issues in their dealings with Ms J. Monzo also noted that their processes are in place to safeguard Ms J's account and reiterated that they felt that their offer of a further £100 compensation represented a fair outcome to this complaint.

However, my main issue with the service that Monzo have provided to Ms J here isn't that they have the process in place to protect Ms J's account that they do, but how poorly that process has been implemented by Monzo. This includes that none of Monzo's agents

appear to have taken the time to have understood Ms J's position and the difficulties in completing the selfie-video process that Monzo kept requiring of her.

Had any of Monzo's agents taken the time to understand Ms J's position, then I feel that much of the frustration and trouble that Ms J has unfairly had to incur here could have been avoided. And the fact remains that Ms J has been trying to regain access to her Monzo account since March, which by any reasonable standard should be unacceptable.

Accordingly, I see no reason here not to issue a final decision whereby I uphold this complaint on the basis explained in my provisional decision above. And given the current situation here, as I've described it, I feel that it's now incumbent on Monzo to make every effort to engage with Ms J to resolve this situation.

However, it's important to note that it is also incumbent on Ms J to engage with Monzo, and to comply with any reasonable requirements Monzo might make of her. As such, I confirm that if Ms J continues to be unable to access her account past the date of this decision, then this would need to be raised as a new complaint, at which time Ms J's level of engagement with any reasonable requests that Monzo might make of her moving forwards from today would be taken into consideration.

Similarly, while I will still be instructing Monzo to pay 8% interest on Ms J's account balance, it would be expected that that interest payment would be payable until the date that Monzo next approach Ms J and propose a reasonable resolution of the current impasse to her.

Putting things right

Monzo must pay £450 to Ms J.

Monzo must also pay 8% interest on Ms J's account balance from 1 May 2024 to the earlier of either:

1. The date that Ms J regains access to her account, or;
2. The date following today that Monzo next reach out to Ms J and propose a reasonable solution to the current impasse with her.

My final decision

My final decision is that I uphold this complaint against Monzo Bank Ltd on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 2 December 2024.

Paul Cooper
Ombudsman