

The complaint

X complains that Monzo Bank Ltd blocked and then closed his account with it. Monzo also delayed returning funds to him.

What happened

X held an account with Monzo. On 8 March 2024 Monzo wrote to X to tell him that it would be closing his account with effect from 9 May 2024. Monzo's communication said that the account would remain operational in the meantime.

On 26 March 2024 Monzo blocked the account, so X was not able to use it after all. Monzo wrote to X asking about his use of the account generally and about one specific transaction. X provided more information, but on 26 April 2024 the account was closed without notice to X. Monzo wrote to him to tell him what had happened and to provide information about what he needed to do to have the funds in the account returned to him. Monzo said that it would take two to four weeks to return funds.

X complained about what had happened, first to Monzo and then to this service. Monzo said that it had acted fairly and in line with the account terms. It did however acknowledge that there had been a delay in releasing funds. It initially offered to pay X £25 and interest for six days in recognition of that, but later increased its offer to £150 and interest on the account balance of £1,544 from 24 April to 9 May 2024.

Two of our investigators considered the complaint. Both took the view that Monzo's offer was fair in the circumstances and recommended that X accept it. He didn't do so, and asked that an ombudsman review the case.

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.

X accepts that Monzo was within its rights to close his account, but he says it should not have been blocked and then closed without notice when he raised a complaint.

Account providers can generally decide whether to continue to provide account services to a customer, and this service won't usually intervene in such decisions. But they should give reasonable notice of their intention to close an account. What's reasonable depends on the circumstances, but two months is usually sufficient for a personal account.

In this case, Monzo initially gave X two months' notice, but then decided to block and close the account without further notice before the two months had passed.

Monzo has shared with this service its reasons for blocking the account and for closing it without notice. It has asked that those reasons be kept confidential, as our rules allow it to do. I am satisfied that its evidence should not be disclosed to X; I'm also satisfied that its

reasons for blocking the account and then closing it before the end of the notice period were reasonable. I don't believe Monzo treated X unfairly.

Monzo says that it had the information necessary to return the account balance to X some time before it did so, and it has made a settlement offer to reflect that. I note however that funds were returned to him on 9 May 2024 – within the two to four weeks Monzo indicated it would take.

In the circumstances, I think that Monzo's offer – of £150 and interest at 8% on £1,544 from 24 April to 9 May 2024 – is reasonable, and I do not require it to do any more. I shall simply leave it to X to decide whether, on reflection, he is prepared to accept that offer to resolve the complaint.

My final decision

For these reasons, my final decision is that I do not uphold X's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 26 December 2024.

Mike Ingram

Ombudsman