

The complaint

Mr R complains that Monzo Bank Ltd unfairly closed his bank account without providing a proper explanation.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr R had a current account with Monzo which he'd opened in November 2020.

In December 2021, Mr R contacted Monzo to raise a fraud claim. He said that his mobile had been stolen over Christmas and when he managed to recover his phone, he discovered transactions had been made from his account without his knowledge or consent.

Monzo looked into Mr R's fraud claim and held him liable for the transactions. Following this in January 2022, Monzo made the decision to close Mr R's account immediately.

Mr R contacted Monzo to complain. He said since Monzo had closed his account he had other bank accounts closed. And he thought this was because Monzo had placed a marker against his name when it had closed his account. In response, Monzo told Mr R that it had closed his account in line with the terms and conditions.

Unhappy with this response Mr R brought his complaint to our service. He is worried that Monzo have recorded a marker against him and says Monzo treated him unfairly when it closed his account.

One of our investigators looked into what had happened. After looking at all the information and circumstances of Mr R's complaint, the investigator didn't think Monzo had treated Mr R unfairly when it had closed his account and didn't have to explain why it no longer wanted Mr R as a customer. The investigator also confirmed with Monzo that it hadn't loaded any marker against Mr R's name. So, they didn't uphold Mr R's complaint.

Mr R disagreed and asked for an ombudsman to review his complaint. So, the matter has come 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. It's then for me to decide whether it's fair to rely on evidence that only one party

has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Monzo has treated Mr R fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I can understand it would have been upsetting for Mr R to learn his bank account was to be closed and no explanation given by Monzo why that was. While not trying to minimise the upset and frustration this no doubt caused Mr R, under the terms and conditions of Mr R's account, Monzo can close an account without providing a full explanation why.

That's because Monzo is entitled to close an account with Mr R just as he is entitled to close his account with Monzo. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed.

As long as they reach their decisions about that in a legitimate manner, this service won't usually intervene. But before Monzo closes an account, they must do so in way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions and they state that Monzo could close Mr R's account by giving him at least two months' notice. Monzo can also close an account without notice – which is what happened here.

For Monzo to act fairly here they needed to meet the criteria to apply their terms for immediate closure – and having looked at these terms and all the evidence that the bank has provided, including the information Monzo has provided to this service in confidence, I'm satisfied that Monzo did. And that it was entitled to close the account as it's already done. So, I've seen nothing to suggest Monzo's decision around closing Mr R's account was unfair.

Finally, Mr R says that he is concerned that when Monzo closed his account they loaded a marker against his name, which has led to the closure of several other bank accounts Mr R had. The investigator has checked with Monzo and they have confirmed that they haven't loaded any marker against Mr R's name. So, I can't say the closure of Mr R's other accounts is the result of anything Monzo has done.

In summary, I realise Mr R will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I won't be telling Monzo to do anything more to resolve Mr R's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 April 2025.

Sharon Kerrison
Ombudsman