

## **The complaint**

Mr M complains Monzo Bank Limited unfairly reported information about his account activity. Mr M says this caused him distress and Monzo Bank Limited should remove the information reported.

## **What happened**

Mr M held a Monzo account and in early February 2024 the account was reviewed. Following its review Monzo made the decision to close Mr M's account with immediate effect. As Mr M was in his overdraft, he was advised he ought to clear it as soon as possible. Mr M received refunds to his account which cleared the overdraft, and the outstanding balance was returned to Mr M.

Following the closure Mr M raised a formal complaint about the handing of his account in early November 2024.

Monzo reviewed Mr M's concerns and issued a final response letter on 6 November 2024. This explained that it was entitled to close the account immediately in line with the account terms and conditions. It said it made a commercial decision to close the account and no further information could be provided about this.

Mr M didn't think this was fair and referred the complaint to our service. In his complaint Mr M explained that his occupation meant the information Monzo had recorded about him resulted in a conduct hearing and he missed out on a job opportunity. The Investigator looked into Mr M's complaint and gathered the relevant evidence. The Investigator made the following findings:

- Monzo followed its regulatory duties by reporting the activity on Mr M's account.
- The fact no further action was taken against Mr M doesn't mean the referral was incorrect.
- Monzo can't be held responsible for the impact the reporting of the account activity had on Mr M.

Mr M didn't accept the Investigator's findings. He maintained the referral made by Monzo to a law enforcement body wasn't appropriate or necessary given the account activity.

As no agreement could be reached the complaint was referred to me – 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 appreciate Mr M was disappointed by the Investigator's opinion. I'd like to reassure Mr M that I've considered the whole file and what's he's said. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I

think is a fair and reasonable outcome. No discourtesy is intended by me in taking this approach.

As a UK financial business, Monzo is strictly regulated and must take certain actions in order to meet its legal and regulatory obligations. It's also required to carry out ongoing monitoring of an existing business relationship. This includes establishing the purpose and intended nature of transactions as well as the origin of funds, and there may be penalties if they don't. That sometimes means Monzo needs to restrict, or in some cases go as far as closing, customers' accounts.

The terms and conditions of the accounts, which Monzo and Mr M had to comply with, say that it can close the account by giving him two months' notice. And in certain circumstances it can close an account immediately or with less notice. Monzo closed Mr M's accounts with immediate effect. Monzo has explained and given me information to show why it reviewed and closed Mr M's accounts with immediate effect. Having carefully considered this, I'm satisfied Monzo took these actions in line with the obligations it must adhere to.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Monzo has provided is information we consider should be kept confidential. So although Mr M is aware of the details of the information Monzo relied on to make its decision, I won't repeat the specific details as Monzo has asked for this evidence to be kept confidential. But I can assure Mr M that having reviewed it, Monzo's decision to close Mr M's account was fair and reasonable in the circumstances.

A key part of Mr M's complaint is that the referral Monzo made to the law enforcement agency wasn't necessary or appropriate. Mr M says the referral made did not comply with the agency's rules and guidance. Firstly, it is not my role to comment on Monzo's interpretation of the rules and guidance, and its financial crime measures. Instead, my focus is on whether Monzo has treated Mr M fairly in light of these considerations. Given the account activity detailed by Monzo and the triggers this raised I'm satisfied the referral was necessary given it had legitimate concerns the funds that had been in Mr M's account were fraudulent. As detailed above, Monzo's regulatory duties are extensive, and it is under a duty to report activity that raises suspicion to the relevant agency. Based on the internal notes I've reviewed Monzo followed a clear process in Mr M's case, and I am satisfied it acted fairly and in keeping with its legal obligations.

Mr M says the impact on him is significant as he has lost out on a job opportunity and in turn this means he has incurred financial loss. Mr M's provided evidence to show that his occupation meant the information reported by Monzo had a direct impact on his employment. However, I don't find this is an issue Monzo is responsible for. Monzo followed the correct steps in relation to Mr M's account, and the on-going impact of this isn't something I can reasonably hold Monzo responsible for.

I know this will not be the outcome Mr M was hoping for and he will be disappointed with the decision I've reached. But I hope my decision provides some clarity around why I won't be asking Monzo to take any further action.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 April 2025.

Chandni Green  
**Ombudsman**