

The complaint

Mr H is unhappy that Monzo Bank Ltd would not help him 'Flex' a purchase he had made with his Monzo account.

What happened

Mr H wanted to flex a purchase he made using his Monzo account in August 2024 and repay the amount by three monthly interest free instalments. However, Monzo had previously restricted his access to the app. This meant Mr H could not use the app to flex the purchase and instead, contacted Monzo to request the three month option using the in-app chat function.

Mr H is unhappy that Monzo wouldn't follow his instructions to flex the purchase. He says he's spent hours of his time trying to resolve the matter and found the process frustrating. Mr H is unhappy with the way that Monzo communicated with him. He would like the Financial Ombudsman Service to report Monzo's behaviour to the regulator – the FCA.

As part of its' final response in August 2024, Monzo explained to Mr H that he would need to supply the details it had been requesting from him in order to gain access to the app to be able to select a payment plan.

After the Financial Ombudsman Service contacted Monzo as part of this complaint, it said that as Mr H didn't select a repayment plan, his purchase defaulted to a 24 month repayment plan with interest. Monzo urged Mr H to complete the customer information it had requested from him, otherwise it would close his account. Monzo offered to credit £30 back to Mr H as a gesture of goodwill.

Our investigator thought Monzo's offer was fair. He said it was for Mr H to decide whether to answer Monzo's questions to recover full access to the app. Our investigator thought that Mr H needed to select a flex plan within the app, so there was no other way for Monzo to make the changes he requested.

Mr H is unhappy with the investigation outcome. He thinks our investigator has missed the point of his complaint which Mr H says is about Monzo's responses to his requests and complaints. Mr H points out he didn't complain about the restriction of the app. He says he's not refused to supply Monzo with the information it requested – instead, he asked it to answer two questions which it has not yet done.

Mr H says that Monzo has not contacted him about its offer to cover the interest he will be charged. He asks that Monzo push back the closure of his account until we have dealt with his complaint.

Our investigator explained that he is not investigating Monzo's restriction of the app. Our investigator also said that complaint handling in itself isn't a regulated activity about which he can consider a complaint. He also said that we couldn't ask Monzo to defer closure of Mr H's account. If Mr H is concerned about the account closure, he would need to first complain to Monzo before coming back to us.

Our investigator issued a second investigation outcome in which he didn't change his view that Monzo's offer was fair. Our investigator thought that when Monzo explained what Mr H would need to do to regain full access to the app, it was clear that Monzo did this so Mr H could then flex the purchase he had made. Our investigator said there was nothing in Monzo's terms and conditions which outlined an alternative way to flex a purchase when access to the app is restricted. Our investigator said Monzo doesn't offer telephone or internet banking.

Mr H remains unhappy with the investigation outcome. He thinks our investigator has been pro-industry. Mr H says that Monzo has only restricted access to the app, not his account. Mr H says Monzo didn't tell him that by restricting access to the app, it would deny him customer service.

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.

Although I may not comment on each and every point that Mr H has raised, this doesn't mean I have not read and considered everything he's provided. This is not intended as a discourtesy – it simply reflects the informal nature of this service.

I also want to make clear exactly what I have and have not considered as part of this complaint. As our investigator said to Mr H, I have not considered anything which relates to Monzo's decision to restrict access to the app or to the closure of Mr H's account. If Mr H remains unhappy about either of these aspects, he would first have to raise his concerns with Monzo, before coming back to us if needed.

I am sorry to disappoint Mr H but having considered his complaint, I am not going to require Monzo to do more than it has already offered.

My consideration of this complaint is limited to the service Mr H received from Monzo when he used the chat function to try to flex the purchase he made in August 2024.

When Monzo restricted access to the app, it would have shown Mr H what that meant for him. Although existing scheduled payments would work as usual and Mr H could still receive money and use his Monzo card - he could not get into the app and see or change anything there. So, I think it should have been clear to Mr H that his ability to use all the functions of his account/app was limited. This included the option to use the app to choose different flex payment plans.

Monzo is a digital bank. All though it offers support through its' chat function, customers are expected to manage their account through the Monzo app. So, I don't think it was unreasonable for Monzo not to carry out Mr H's request to flex via chat.

I appreciate that Mr H is unhappy with the way Monzo dealt with his request to flex the purchase and it accepts it could have handled this better. For this failing, Monzo has offered £30 compensation which should cover the interest it will charge Mr H for the purchase.

Although I agree that Monzo's responses to Mr H's request to flex could have been clearer - I think that by directing him to supply the information it had been requesting for some time to regain access to the app, it showed Mr H that the flex request would need to be made in-app. So, I consider Monzo's offer is a fair way to apologise for any failings in the customer service he received.

My final decision

Monzo has already made an offer which I consider is fair. So, my final decision is that if it's not already done so, Monzo Bank Ltd should pay Mr H £30.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 31 March 2025.

Gemma Bowen
Ombudsman