

The complaint

Mr D complains Monzo Bank Ltd (“Monzo”) closed his account with immediate effect and did so without explanation. Mr D is unhappy the funds in the account haven’t been returned to him.

Mr D says Monzo’s actions have caused him significant distress and inconvenience.

What happened

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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.

Having done so, I have decided not to uphold this complaint. I’ll explain why.

Banks in the UK, like Monzo, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Monzo needs to restrict, or in some cases go as far as closing, customers’ accounts.

Monzo has explained and provided some supporting evidence for why it reviewed Mr D’s account. I’m satisfied it acted in line with its obligations.

Monzo is entitled to close an account just as a customer may close an account with it. But before Monzo closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Monzo and Mr D had to comply with, say that it could close the account by giving them at least two months’ notice. And in certain circumstances it can close an account immediately or with less notice.

Monzo closed Mr D’s account with immediate effect. Monzo has given me evidence and an explanation as to why it acted in this way. Having carefully weighed this up, I’m persuaded Monzo closed Mr D’s account in line with its terms and conditions; and did so fairly.

I can understand why Mr D wants a detailed explanation. But Monzo is under no obligation to do so. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from banks 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 I consider should be kept confidential.

Mr D says he didn’t receive the remaining funds in his account after it was closed. But Mr D’s external bank account statements show he did receive the funds in October 2024. This is consistent with the payment transfer information Monzo has sent me to show the payment was made. Any delay with this was because Mr D didn’t want to send Monzo the security credentials and ID it needed from Mr D. I don’t think Monzo acted unreasonably in asking for

this given its obligation to protect its customers and itself from financial harm.

I note Mr D has explained the impact Monzo's actions have had on him and the vulnerable position he is in. But as I don't think Monzo did anything wrong, I see no basis in which to award any compensation for the distress and inconvenience he says he has suffered.

My final decision

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 June 2025.

Ketan Nagla

Ombudsman