DRN-5336211

The complaint

Miss O complains that Monzo Bank Ltd closed her account without notice and without explaining its reasons for doing so.

What happened

Miss O had held an account with Monzo since March 2021. On 14 November 2024 Monzo contacted her to say that it would be closing her account with immediate effect. It did not provide any reasons for its decision and refused to discuss the matter any further. It said it would transfer any balance on the account to another account nominated by Miss O. She said she did not have another account and, because she is not a UK citizen, it would be difficult to open one.

Monzo told Miss O she could refer the matter to this service if she wished to do so.

When she did that, one of our investigators considered what had happened. He did not recommend that the complaint be upheld. He concluded that Monzo had acted within the terms of the account and that it was not required to explain to Miss O why it had decided to close it.

Miss O did not accept the investigator's recommendation. She said that Monzo's actions lacked transparency and that they had been financially damaging. The closure of the account meant she could not receive funds for her education, rent and daily expenses.

Miss O also speculated that Monzo have closed the account because of transactions involving individuals. She explained her relationship with four such individuals – all of them friends or family – and the reasons for the transactions with them. She 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.

Having done so, I've reached the conclusion that the investigator did, and for similar reasons.

It is for banks and other account providers, as a matter of their commercial discretion, to decide whether to offer or to continue to offer banking facilities to any customer. As long as that discretion is exercised legitimately, this service won't generally intervene, and I see no reason to do so here.

We do however expect banks to give reasonable notice of closure. What is reasonable depends on the circumstances, and in some cases it may be that immediate closure is reasonable. Having considered carefully what Monzo has said about its reasons for closing the account, I am satisfied that it was reasonable of Monzo to close the account with no notice.

I also agree with the investigator that Monzo was within its rights to decline to answer Miss O’s questions about the reasons for closing her account. It has disclosed its reasons to this service, but asked that those reasons be kept confidential. Our rules allow us to accept evidence in confidence, and I am satisfied, after careful consideration, that Monzo’s request that we do so in this case was a reasonable one.

My final decision

For these reasons, my final decision is that do not uphold Miss O’s complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss O to accept or reject my decision before 25 September 2025.
Mike Ingram
Ombudsman