

The complaint

Miss K is unhappy with that Monzo Bank Ltd wouldn't allow her to conduct a balance transfer to her credit card account and with the service she'd received from Monzo surrounding this.

What happened

In June 2022, Miss K successfully applied to Monzo for a credit card account. In August 2024, Miss K contacted Monzo as she wanted to undertake a balance transfer from a non-Monzo credit card account to clear her Monzo credit account balance. At that time, Monzo explained to Miss K that they didn't offer or provide a balance transfer facility on her credit account and that Miss K could only make payments to her Monzo credit account from her Monzo current account. Miss K wasn't happy this was the case and felt that these payment restrictions weren't stipulated in Monzo's terms and conditions. So, she raised a complaint.

Monzo responded to Miss K but confirmed that balance transfers weren't a service they advertised or provided for her credit account. Miss K wasn't satisfied with Monzo's response, so she referred her complaint to this service. One of our investigators then looked at this complaint, and during their review Monzo reiterated that they didn't feel they'd acted unfairly by not allowing Miss K to avail of a balance transfer service that they didn't provide or allow.

However, Monzo did accept that there had been a delay in providing information to Miss K about their terms and conditions, and they apologised for this and offered to pay £50 as compensation to Miss K for any trouble or upset that may have caused.

Additionally, Monzo offered to retrospectively freeze interest accrued on the account during the time that they had investigated Miss K's concerns, which would result in a £117.14 interest reimbursement to Miss K's account. Our investigator felt that Monzo's offer represented a fair resolution to this complaint, but Miss K remained unhappy. So, the matter was escalated to 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.

Miss K is unhappy that Monzo wouldn't allow her to undertake a balance transfer from a non-Monzo credit account to repay her outstanding Monzo credit account balance. However, while balance transfers are a common feature of credit card accounts, not all credit card accounts permit balance transfers. And, in the case of Miss K's Monzo credit account, balance transfers are not permitted.

Ultimately, this is a commercial decision that I'm satisfied Monzo are entitled to make. And having reviewed the terms and conditions of the Monzo credit account I note that there are no terms that refer to balance transfers or explain how Monzo would treat balance transfers, as would be expected if balance transfers were permitted on the account.

Additionally, it seems clear to me from Monzo's terms and conditions that they will only

accept payments to the credit account from a Monzo current account. I say this because the terms and conditions make several references to the link between the Monzo credit account and the associated Monzo current account and includes the statement that Monzo will automatically take monthly payments from the associated Monzo current account on the payment due date.

As such, it seems to me that Miss K believed that she could undertake a balance transfer to repay her Monzo credit account balance based on an incorrect assumption that balance transfers were accepted on her Monzo credit account. But, as Monzo have pointed out, the facility to undertake balance transfers on that account is not something they offer or have ever advertised as being offered.

That Miss K undertook spending on the Monzo credit account with the incorrect belief that she could clear that spending via a balance transfer is clearly unfortunate, but I don't feel that it was unfair, given that it's a feature that Monzo don't offer. And I feel that the onus was on Miss K here to have ensured that she understood whether her plan to undertake a balance transfer to her Monzo credit account was a valid one, before she engaged in any spending that she intended to clear via a balance transfer.

All of which means that I won't be upholding the primary aspect of Miss K's complaint – that Monzo won't allow her to undertake a balance transfer – because I'm satisfied that Monzo shouldn't fairly or reasonably be instructed to allow actions on their account that they don't offer or promote as features of that account.

Monzo have offered to pay £50 compensation to Miss K for the length of time it took them to respond to a query Miss K raised about the terms and conditions of the credit account. This seems reasonable to me, given the length of the delay and the fact that the response, when it came, was a reiteration of Monzo's earlier explanation that balance transfers to or from the credit account in question aren't permitted. And I confirm that this payment is commensurate or in excess of what I might have instructed Monzo to pay to Miss K in this regard, had they not already offered to do so.

Monzo have also offered to reimburse the interest that accrued on Miss K's credit account during the time they investigated her complaint, amounting to £117.14. This feels generous to me, given that Miss K's complaint wasn't upheld, and I'm satisfied that this is a gesture of goodwill on Monzo's behalf. However, as Monzo have formally made this offer to Miss K via this service, I include it in my instructions below.

Miss K feels that the clarity of Monzo's terms and conditions, which she agreed and consented to in June 2022, don't adhere to the standards of the Consumer Duty. And Miss K also feels that Monzo's treatment of her surrounding this issue also doesn't meet the standard required by the Consumer Duty.

However, the Consumer Duty came into force on 31 July 2023 and wasn't retrospectively applied. This means that the Consumer Duty didn't apply in June 2022, when Miss K opened her Monzo credit account and agreed to the terms and conditions of that account. And from a general fairness perspective, I don't feel that the terms and conditions of the Monzo credit account are misleading or unclear, for the reasons I've already explained.

Additionally, given that I'm satisfied that balance transfers aren't permitted on the Monzo credit account in question and that I'm satisfied that Miss K should fairly and reasonably be held accountable to the terms of that account, including the accrual of interest on the account balance, I don't feel that Monzo have treated Miss K unreasonably or unfairly here as she contends. Indeed, I note that Monzo have taken steps to assist Miss K, such as creating a suspense account for her, which I feel demonstrates their commitment to helping

Miss K repay the balance that I'm satisfied she fairly owes to them.

Miss K has expressed concerns that because she moved to switch her current account to another provider, this might have repercussions to her being able to repay her Monzo credit account, given that Monzo only accept payments to the credit account from a Monzo current account. But Monzo have explained to Miss K how she can repay the balance she owes them, and I would have reasonably expected Miss K to have resolved any concerns she might have held before switching her current account from Monzo to another provider.

Finally, Miss K has recently raised concerns about events that have happened since she referred her complaint to this service. But my review of this complaint is limited to the points of complaint that were initially referred to this service. As such, any later points of complaint Miss K may now hold should be referred by her to Monzo as a new complaint, so that Monzo have a formal opportunity to consider and respond to those points of complaint – after which time Miss K may have the right to refer those further points of complaint to this service, should she still wish to do so at that time.

It therefore follows that while I will be upholding this complaint in Miss K's favour, I'll only be doing so on the limited basis to instruct Monzo to make the payments of £50 and £117.14 to her that they've already offered to pay. And I won't be issuing any further instructions to Monzo beyond this. I realise this won't be the outcome Miss K was wanting, but I hope that she'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Monzo must pay £50 and £117.14 (totalling £167.14) to Miss K.

My final decision

My final decision is that I uphold this complaint against Monzo Bank Ltd on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 31 July 2025.

Paul Cooper
Ombudsman