

The complaint

Mr H complains Monzo Bank Ltd (“Monzo”) closed his account without explanation. Mr H adds that his circumstances make him vulnerable, including being unable to open another account.

To put things right, Mr H says he wants the account reopened as his circumstances otherwise mean he won’t have access to banking services which he particularly needs in the future when released from incarceration to receive benefits.

What happened

Mr H is professionally represented, but to keep things simple I will mainly refer to him in my decision.

The details of this complaint are well known by both parties, so I won’t repeat them again here in detail. Instead, I’ll focus on setting out some of the key facts and on giving my reasons for my decision.

In July 2024, Monzo provided 62 days’ notice of its decision to close Mr H’s account. Unhappy, Mr H complained. Monzo didn’t uphold Mr H’s complaint. In summary, it said the commercial decision to close the account was in line with the terms and conditions of the account. And its unable to provide an explanation.

Monzo also said it had defunded the account in reasonable time but failed to contact his representatives in the way it should have when contacting him about his wellbeing. Because of this Monzo said it would credit Mr H’s nominated account with £25. Monzo also said there had been gaps in its customer service and complaint handling communication, so it also offered £25 as a gesture of goodwill for this.

Mr H referred his complaint to this service. One of our Investigator’s looked into it, and they recommended it wasn’t upheld. In summary, they said Monzo was entitled to close the account in the way it did, and it was in line with the terms of the account. They also informed Mr H’s representatives that he should be able to apply for a Basic Bank Account (BBA) and listed the providers.

Mr H didn’t agree. His representatives have made the following key points in response:

- Mr H can’t open a BBA given his incarceration disposition. Nor can he visit a branch or satisfy the Know-Your-Customer identity checks to open one.
- Mr H’s vulnerability, incarceration and location haven’t been properly considered in terms of what banking services he can access.
- Mr H can only apply to one bank account provider when he has 12 months left before release.
- There are inherent delays and onerous costs associated with communicating with

banks due to Mr H's circumstances.

- The FCA's 2.1 principles, as contained in its handbook, need to be considered.

As there was no agreement, this complaint has been passed to me to decide.

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.

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 H had to comply with, say that it could close the account by giving him at least two months' notice. And in certain circumstances it can close an account immediately or with less notice.

Monzo gave Mr H two months' notice, which is in line with the terms of the account. Monzo has also provided me with a detailed explanation and supporting evidence for why it decided to do so. Having given this careful consideration, which includes the vulnerabilities he's explained, I'm persuaded Monzo hasn't acted improperly in closing the account in the way it did.

I note what Mr H says about not having access to any bank account whilst he is incarcerated. That is unfortunate given he may have to rely on the limited banking services his detaining body has in place. But what is apparent is that he is concerned about being paid benefits upon release, but he should, as his representatives have said, be able to apply for an account 12 months prior to release.

I know Mr H would like a detailed explanation for why Monzo acted in this way. 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 H has made it clear he is only complaining about the account closure, so I do not need to make any findings on the customer service part of his complaint or the communication failings of its wellbeing team.

As I don't think Monzo has done anything wrong in closing Mr H's account, I see no basis to make an award of compensation for any distress or inconvenience he's 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 H to accept or reject my decision before 25 April 2025.

Ketan Nagla
Ombudsman