

The complaint

Mr D complains that Monzo Bank Ltd ('Monzo') blocked his account.

Mr D adds that Monzo's actions caused him and his family severe distress, inconvenience, and financial difficulty.

What happened

Mr D had an account with Monzo. At the beginning of January 2025, Monzo initiated a review of Mr D's account and restricted Mr D's access to it. Monzo approached Mr D for information about funds he'd received into his account from a third party. Mr D provided Monzo with an explanation regarding a payment he'd received, explaining he'd received the funds as payment for football tickets. And he shared messages he'd previously exchanged with a third party, regarding the tickets and football match.

Monzo reviewed the information Mr D submitted and lifted the restriction from the account on 6 January 2025, approximately five days after the restriction was put in place. Mr D was unhappy with the time it took Monzo to conduct its review. He explained to Monzo whilst his account was restricted that he wished to complain about the matter. Mr D informed Monzo he had needed access to his account to pay essential bills, buy food, pay for travel and to look after family, including his children and wife who is disabled.

Mr D also mentioned the situation caused him severe anxiety and affected his mental health. Monzo acknowledged the difficulty Mr D was facing and offered support by way of sharing details of organisations that might've been able to provide support in getting food and essentials for him and his family whilst he didn't have access to the funds in his account.

Monzo issued a final response to Mr D's complaint after the account restriction was lifted. In summary, Monzo said:

- It acknowledged the inconvenience and stress caused when Mr D's account was frozen and apologised for this
- Monzo reviewed some information on Mr D's account and whilst specific details of the review couldn't be shared with Mr D, this was something Monzo was required to do to comply with regulations and meet its legal obligations
- Mr D's account was unfrozen in a reasonable amount of time and Monzo had correctly followed its internal processes and procedures

Mr D remained unhappy and referred his complaint to our service. He said that a false accusation had been made against him regarding football tickets he had bought for a third party. He said he had been declined a loan because of the restriction that Monzo placed on his account and payments were returned from his account, which affected his credit score. Mr D explained the situation affected his mental health significantly and he had contacted his doctor for support.

One of our Investigators looked into things and didn't uphold the complaint. In summary, they said:

- Monzo has important obligations to verify funds in their customers' accounts and Monzo's reasons for requesting information about the funds in Mr D's account was reasonable
- The account was restricted in order to allow Monzo to meet its legal and regulatory obligations
- Monzo didn't cause any undue delays when it blocked Mr D's account and Mr D was offered appropriate levels of support when he made Monzo aware of his personal circumstances

Mr D disagreed so the 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.

Banks in the UK 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 banks need to restrict, or in some cases go as far as closing, customers' accounts.

Monzo has provided me with information to show why it reviewed Mr D's account. Having carefully considered this, I'm satisfied that it acted in line with the account terms and obligations it must follow. And I consider Monzo's reasons for carrying out this review were fair and reasonable. I understand Mr D might want to know more about why this review was carried out, but Monzo is under no obligation to tell Mr D the reasons behind the account review and block.

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.

I acknowledge Mr D was put in a difficult position when his account was blocked. Whilst he hasn't provided any supporting evidence to show a loan application was declined or his credit score was impacted, I appreciate the abrupt restriction of the account, particularly over the holiday period, adversely affected him and his family. But as I find Monzo fairly blocked the account and did so for a reasonable amount of time, I don't agree that Monzo should compensate Mr D for any distress and inconvenience he experienced.

Having considered everything, I think Monzo have acted reasonably in the circumstances of the complaint - so I won't be directing Monzo to do anything to put things right.

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 28 October 2025.

Khadijah Nakhuda
Ombudsman