

The complaint

Mr L complains that Monzo Bank Ltd (“Monzo”) closed his account without notice and took too long to release his closing balance.

What happened

Mr L had a current account with Monzo.

In June 2024, Monzo decided to review Mr L’s account. Following this Monzo decided to close Mr L’s account immediately. At the time the balance of Mr L’s account was just over £340. Monzo asked Mr L to complete its verification process so that it could release his closing balance back to him.

Monzo asked Mr L to provide a selfie photograph holding some identification. Monzo also asked Mr L to provide certified copies of his passport. The documents Mr L provided failed that verification check. So Monzo didn’t release Mr L’s balance.

Mr L was informed about Monzo’s decision. They told Mr L that to be able to approve a refund of his remaining account balance he would need to submit a further identification document. Mr L sent Monzo further documents in September 2024. However, all the documents Mr L submitted were rejected as they did not meet Monzo’s security and verification requirements.

Mr L was unhappy about Monzo’s actions and complained. In response, Monzo said it had reviewed and closed Mr L’s account in line with the terms and conditions. And that it had explained to Mr L what he needed to do in order to gain access to his funds.

Mr L remained unhappy, so he referred a complaint to this service. Mr L said he’d submitted various documents including photographic identification and doesn’t understand why Monzo wouldn’t release the money in the account back to him.

One of our investigators looked into Mr L’s complaint. Whilst looking into things the investigator asked Mr L to send us his identification documents so that we could send them to Monzo. Mr L did, and the investigator sent these to Monzo. Following this Monzo released Mr L’s balance back to him in July 2025.

After looking at all the evidence the investigator said Monzo hadn’t done anything wrong. So he didn’t uphold Mr L’s complaint.

Mr L disagreed. He wants to be told what’s wrong with the documents he’d previously submitted to Monzo. And said Monzo took too long to give him back his money. So, he wants compensation.

As no agreement could be reached the matter has come 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.

I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for a number of reasons – for example, if it contains information about other customers, security information or commercially sensitive information. Some of the information Monzo has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr L, but I'd like to reassure him that I have considered everything.

I appreciate that Mr L is upset that Monzo closed his account. And the lack of information made the situation more frustrating. But for me to uphold this complaint, I must be satisfied that the bank has done something wrong. And in this case, I don't think it has. I'll explain why.

As the investigator has already explained, Monzo has extensive legal and regulatory responsibilities they must meet when providing account services to customers. They can broadly be summarised as a responsibility to protect persons from financial harm, and to prevent and detect financial crime.

Monzo will review accounts to comply with these responsibilities. It's common practice for banks and other financial service providers to restrict access to accounts to conduct a review. This can happen regardless of how long a customer has been with a bank. The terms and conditions of Mr L's account also make provision for this to happen.

Having reviewed all the evidence, including the information Monzo has shared with us in confidence, I'm satisfied that Monzo were acting in line with its legal and regulatory obligations when it reviewed Mr L's account. I appreciate that Mr L wants to know more about why Monzo did what it did. But Monzo isn't obliged to tell Mr L why it reviewed his account, and I don't believe it would be appropriate for me to require it to do so as much as he'd like to know.

Sometimes following a review, a bank will decide to close an account. Monzo is entitled to close an account with Mr L just as he is entitled to close his account with Monzo. It's generally for banks and financial businesses to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Unless there's a very good reason to do so, this service won't usually say that a bank must keep a customer or require it to compensate a customer who has had their account closed. But they shouldn't decline to continue to provide an account without proper reason, for instance of unfair bias or unlawful discrimination. And they must treat new and existing customers fairly.

Monzo have relied on the terms and conditions of Mr L's account when closing it. The terms and conditions outline that Monzo can close a customer's account with two months' notice, and in certain circumstances they can close an account immediately. Here they closed Mr L's account immediately. For Monzo to act here they needed to meet the criteria to apply their terms for immediate closure

Monzo has provided some further details of its decision-making process, I'm sorry but I can't share this information with Mr L due to its commercial sensitivity. But I've seen nothing to suggest Monzo's decision around closing Mr L's account was unfair. So, it wouldn't be appropriate for me to ask Monzo to pay Mr L compensation since I don't find Monzo did anything wrong when it closed his account. I'm also satisfied that Monzo closed Mr L's account in line with the terms and conditions.

I understand of course why Mr L wants to know the exact reasons behind Monzo's decision to close his account. It can't be pleasant being told you are no longer wanted as a customer. But Monzo doesn't disclose to its customers what triggers a review of their accounts. And it's under no obligation to tell Mr L the reasons why it closed his account, as much as he'd like to know. So, I can't say it's done anything wrong by not giving Mr L this information. And it wouldn't be appropriate for me to require it to do so now.

The crux of Monzo's complaint is that he says Monzo took too long to give him his closing balance. From looking at the evidence it seems Monzo was always willing to release the money to Mr L. But in order to do so Mr L had to complete Monzo's verification process, which I don't find unreasonable.

I can see that Monzo clearly explained this to Mr L on more than one occasion. And told him that this process is its standard procedure. So, I'm satisfied that Mr L understood what he needed to do to satisfy Monzo's request. I'm also satisfied that Monzo has these processes in place to comply with its legal and regulatory obligations when providing accounts to customers. So, I can't say Monzo have done anything wrong by asking Mr L to provide the documents and verify his identification to complete this process.

I appreciate that Mr L supplied Monzo with several documents on at least two separate occasions. And that not having access to the funds has made things difficult for him financially. But I can also see that Monzo told Monzo what he needed to provide in order for the funds to be released to him. Monzo has also confirmed that the documents provided by Monzo weren't acceptable. Having looked at the documents I don't think that's unreasonable. So, I can't say Monzo were wrong to not accept what Mr L provided. Overall, I think Monzo had good reason for withholding Mr L's account balance for as long as it did as it wasn't able to verify the documents Mr L provided to them.

I know Mr L wants to know exactly what the problem was with the documents he provided Monzo. But I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from financial businesses as confidential for several reasons – for example, if it contains information about other customers, security information or commercially sensitive information. Some of the information Monzo has provided is information that we considered should be kept confidential. This means I haven't been able to share a lot of detail with Mr L, but I'd like to reassure him that I have considered everything.

In summary, I recognise how strongly Mr L feels about what's happened. I don't doubt it has been a frustrating time. So, I realise Mr L will be disappointed by my decision. But, overall, based on the evidence I've seen, I can't say Monzo have acted unreasonably and treated Mr L unfairly in taking the actions it did. So, I won't be asking Monzo to do anything more to resolve Mr L's complaint.

My final decision

For the reasons I've explained, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 28 October 2025.

Sharon Kerrison
Ombudsman

