

The complaint

Mr W complains that Monzo Bank Ltd unfairly decided to close his account without an explanation why.

What happened

In April, Monzo wrote to Mr W explaining that it had decided to close his account – the closure took place in June. Mr W complained about the bank's decision saying it caused a significant impact to his mental health and he wants the decision overturned. Mr W adds that the bank's decision has left him without an account to receive his benefit payments, leaving him at risk of homelessness. Mr W says he's also attempted suicide.

In its response, Monzo explained that it had acted in line with its terms. Remaining unhappy, Mr W referred his complaint to this service. Our investigator issued their outcome, concluding that Monzo had acted fairly.

Mr W didn't agree, so the complaint has been passed to me for a final review.

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 empathise with Mr W for the circumstances he's been through. Mr W has been open with our service about the challenges he's experienced and the extent of his vulnerability. Although I've only summarised what he's told us, I mean no discourtesy by this and by no means do I intend to diminish the impact of what Mr W has gone through. I'd like to reassure Mr W that I've considered all the arguments and evidence provided by both parties, but in this decision, I'll be referring to and focusing on what I consider to be the main points. We aim for our decisions to be as concise as possible.

Having reviewed everything, I've decided that Monzo has acted fairly and I'll explain why.

It's generally for financial institutions to decide whether or not they want to provide, or to continue to provide, banking facilities to any particular customer. Each financial institution has its own criteria and risk assessment for deciding whether to open or close accounts.

Providing an account to a customer is a commercial decision that a financial institution is entitled to take. Unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. However, a bank should still make sure it hasn't exercised its discretion for plainly unfair reasons, or that it was due to a mistake, and it should still comply with its terms and conditions.

The terms and conditions that applied to Mr W's account set out that Monzo could close his account either by giving at least two months' notice, or in some circumstances it could close the account immediately.

Monzo has provided some further details of its decision-making process, but I can't share

this information with Mr W due to its commercial sensitivity. But I've seen nothing to suggest Monzo's decision around closing Mr W's account was unfair.

Mr W says he's since had difficulties applying for an account with other banking providers. Monzo has told us that it hasn't recorded any adverse information against Mr W's name that would prevent him from obtaining an account elsewhere. So I can't fairly say that the bank has done something wrong here.

I appreciate that Monzo's decision has caused Mr W difficulties and impacted his mental health. However, I can only consider instructing Monzo to do something if I conclude it had acted unfairly. As I've explained, I don't think it did. So I won't be asking the bank to do anything more.

My final decision

For the reasons explained, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 29 August 2025.

Abdul Ali
Ombudsman