

The complaint

Mr A has complained that Monzo Bank Ltd closed his account without notice or explanation, and didn't give him details about clearing the balance, which led to a default.

What happened

On 2 February 2023, Monzo wrote to Mr A to tell him it was closing his account immediately. It explained that in some circumstances, the terms and conditions allowed it to do so. It also explained that Mr A would need to continue making payments to the account, until the balance was cleared. On 16 February 2023, it set out what these payments were, when they were required, and how to make them.

When repayments weren't made, Monzo sent Mr A regular messages about this, including a default notice on 1 July 2023. Ultimately the account was defaulted on 16 August 2023, and Mr A was told how to pay, so the default could be marked as satisfied. At this point, interest stopped being applied to the outstanding balance.

However, Monzo agreed it didn't respond to Mr A's complaint as quickly as it should have, and compensated him £100 in recognition of this.

Our investigator thought Monzo had acted fairly, so didn't recommend it do anything further. As Mr A disagreed, his complaint's been passed to me.

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'm satisfied that Monzo has done enough to put things right. I'll explain why.

I can understand Mr A's frustration about not being given a reason for the account closure. However, as Monzo acted within the terms and conditions of the account, I don't think this was inherently unfair. And I'm satisfied that it clearly explained the repayments required – and how to make them. It is typical for an account to be defaulted after arrears have accrued for between three and six months, which is what happened here. This is in line with industry guidance, and I'm satisfied it was fair.

Monzo is required to report accurate information to the credit reference agencies, and the default was properly reported as per its obligations.

However, I can see that Monzo didn't respond to Mr A's complaint in a timely manner, and it apologised and paid Mr A £100. This is in line with what I'd have awarded, so I think it's already done enough to put things right.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 October 2025.

Elsbeth Wood
Ombudsman