

The complaint

Miss B complains that Monzo Bank Ltd closed her account without providing a proper explanation. Miss B is also unhappy that Monzo referred her to its well-being support team.

To put things right, Miss B would like the account to be re-opened and compensated for the distress and inconvenience caused.

What happened

The detailed background of this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss B had a current account with Monzo. Miss B has explained that this was her primary account which she used to receive her wages, benefits and to pay for everyday essentials.

In March 2025, Monzo reviewed Miss B's account. Following its review, Monzo decided to close Miss B's account. Monzo wrote to Miss B to let her know it was no longer able to provide her with banking services and gave her 60 days to make alternative banking arrangements. During the notice period Miss B had full use of her account.

Miss B wasn't happy with this and asked Monzo to explain why it no longer wanted her as a customer. She said the closure of her account would cause her a lot of problems as she'd have to rearrange her financial responsibilities and her payments would be disrupted. Miss B explained that she suffered with anxiety and depression, so the impact of Monzo's actions made life much more difficult for her.

In response Monzo said it wasn't obliged to provide Miss B with an explanation about why it had decided to close her account. Miss B told Monzo about her personal circumstances and health. And the impact closing her account would have. Monzo apologised for any inconvenience its decision had caused and offered to put Miss B in touch with their well-being support team. Miss B said she wanted Monzo to provide more information about what the team could offer. But didn't give Miss B the information and went ahead and referred Miss B to the team.

Miss B complained to Monzo. She said Monzo had treated her unfairly when it closed her account and shouldn't have referred her to its well-being team without her consent. In response, Monzo said it hadn't done anything wrong when it had closed Miss B's account and had done so in line with the terms and conditions. Monzo also said it didn't have to provide Miss B with an explanation why it no longer wanted her as a customer. It apologised for referring Miss B to its well-being team but said it had done so as part of its processes to support vulnerable customers.

Miss B remained unhappy and brought her complaint to our service.

One of our investigators reviewed the complaint. They said Monzo hadn't done anything wrong when it had closed Miss B's account. They also said Monzo hadn't done anything

wrong when it referred her to their well-being team. So, they didn't uphold Miss B's complaint.

Miss B disagreed. She said Monzo didn't take into account her mental health conditions when it closed her account. And should have obtained her consent before referring her to their well-being team. Miss B says the impact of having her account closed has caused her a great deal of distress and inconvenience.

As no agreement could be reached the complaint 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. It's then for me to decide whether it's fair to rely on evidence that only one party has seen. It's not a one-sided rule; either party to a complaint can submit evidence in confidence if they wish to, and we'll then decide if it's fair to rely on it. Here, the information is sensitive and on balance I don't believe it should be disclosed. But it's also clearly material to the issue of whether Monzo has treated Miss B fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

There are two parts to Miss B's complaint. The first is about Monzo's decision to close his account and lack of explanation for this decision. The second is about Miss B's unhappiness with Monzo referring her to its well-being team without her consent

I want to make it clear that I understand why what happened concerned Miss B. I've no doubt it would've come as quite a shock to her, and she would've been very worried to find out that Monzo had decided to close her account. But I've also considered the basis for Monzo's review, which includes looking at the information Monzo has shared with our service in confidence, when deciding whether Monzo treated Miss B fairly.

Sometimes following a review, a bank will decide to close an account. Monzo is entitled to close an account with Miss B just as she is entitled to close her 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.

As long as they reach their decisions fairly, it doesn't breach law or regulations and is in keeping with the terms and conditions of the account, then this service won't usually intervene. I've looked at the terms and conditions and they state that Monzo could close Miss B's account by giving at least two months' notice. And in some instances, it could close the account immediately.

Monzo wrote to Miss B in March 2025, giving two months' notice that it was closing her account and told Miss B that she'd need to make alternative banking arrangements. So, I'm satisfied that it's complied with this part.

I've then gone on to consider whether Monzo's reasons for closing Miss B's account was fair. In doing so, I appreciate that Monzo are entitled to set their own policies and part of that

will form their risk criteria. It is not in my remit to say what policies or risk appetite Monzo should have in place. I can however, while considering the circumstances of individual complaints, decide whether I think customers have been treated fairly.

Monzo has provided some further details of its decision-making process, I'm sorry but I can't share this information with Miss B due to its commercial sensitivity. But I've seen nothing to suggest Monzo's decision around closing Miss B's account was unfair. So, it wouldn't be appropriate for me to ask Monzo to pay Miss B compensation or ask the bank to reopen her account, since I don't find Monzo did anything wrong when it closed Miss B's account.

I understand of course why Miss B wants to know the exact reasons behind Monzo's decision to close her 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 Miss B the reasons why it closed her account, as much as she'd like to know. So, I can't say it's done anything wrong by not giving Miss B this information. And it wouldn't be appropriate for me to require it to do so now.

Miss B is also unhappy that Monzo referred her their well-being team. She has said she didn't consent to this and only asked for more information about the team so that she could make an informed decision about whether she wanted their support. Miss B has pointed out that due to her mental health conditions it is important for her to be able to make informed decisions.

I've looked at the in app chat between Miss B and Monzo's complaint handling department. I can see that Miss B told Monzo about her mental health conditions. In response Monzo offered to put Miss B in touch with their well-being team, which I don't think is unreasonable. But I can see that Miss B wanted more information before she agreed to speak to the well-being team. So I do understand why Miss B was upset – especially because of what she's said about how important information is to her before making decisions.

Monzo has apologised for any upset this caused Miss B. I think this is a reasonable way to deal with this aspect of Miss B's complaint. So I won't be asking Monzo to do anything more. I say this because whilst I think Monzo misunderstood Miss B's need for more information, and should have clarified with her if she actually wanted to be referred to their well-being team, I think it's more likely than not that the well-being team would have been best placed to answer any of Miss B's questions themselves. So I don't think Monzo did anything wrong when it referred Miss B to their support unit. And did so with best intentions. I've also kept in mind that Miss B declined to speak to the well-being team. So, I think the impact of the referral was minimal.

In summary, I know this will be disappointing for Miss B, but with everything I've seen I'm satisfied that Monzo has acted appropriately here and that it has treated Miss B fairly, so I won't be asking it to do anything more to resolve Miss B'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 Miss B to accept or reject my decision before 22 October 2025.

Sharon Kerrison
Ombudsman