

The complaint

Mr L is unhappy Monzo Bank Ltd closed his account and transferred his account balance elsewhere.

What happened

Monzo notified Mr L on 18 June 2025 that they were closing his account with immediate effect and wouldn't provide a reason. The closure communication asked Mr L to send alternative account details so they could return the money in the account to him. They said it could take between two to four weeks to do so.

Mr L raised a complaint. He explained to Monzo that due to multiple health conditions, he was a vulnerable individual and their actions in closing his account and withholding his money were causing his health to severely suffer. He provided them with evidence of this. He asked for his money to be returned immediately.

However, on 23 June 2025, Monzo told Mr L they had sent the funds remaining in his account to an account specified in a Payment Order they received from the courts. This transfer took place on 18 June 2025, the day of the closure.

Mr L says Monzo had no right to do this and should have notified him. He complained about the service he received, explaining Monzo didn't make any reasonable adjustments for him as is required under disability legislation. He said he had difficulty communicating with Monzo due to them blocking his calls, he didn't receive a call back as promised, they continuously asked him to verify his identity and asked him to provide medical evidence of his condition whilst in a health crisis.

Monzo responded to Mr L's complaint saying they had acted correctly in closing his account. They addressed his customer service complaints explaining that they can't promise a call back on a specific day, but asks for a preferred time slot, as well as being contactable via email. They said they take security very seriously which is why they requested him to verify his identity. Finally, they acknowledge confusion around the fact they logged his complaint multiple times and offered £25 compensation.

Mr L didn't accept the compensation and referred his complaint to our service. Upon this, Monzo offered a further £75 compensation for the service failings. Mr L didn't accept this, so our investigator issued her findings.

Our investigator didn't uphold the complaint. She was satisfied Monzo had closed the account correctly, in line with the terms and conditions and hadn't make a mistake in withholding the funds in the account from Mr L. She also looked into the customer service Mr L received following him notifying Monzo of his vulnerabilities but didn't find Monzo needed to do anything further.

Mr L disagreed with the findings. He said they ignored the fact Monzo didn't make reasonable adjustments despite his documented vulnerability, didn't call him back as requested and didn't provide accessible communication. He's explained he's never received

any documentation from the court about a Payment Order and wants Monzo to provide a copy.

Because Mr L disagreed, 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.

I'm very sorry to hear Mr L has been unwell. I don't take his vulnerabilities and health conditions lightly. I know it will come as a disappointment to him, especially given what he's been going through health wise since the closure, but I haven't found Monzo made any errors in the closing of his account, or the release of the funds contained within it. It follows that I won't be asking it to take any action. I've explained my reasons below.

Account closure

Monzo has a wide range of legal and regulatory obligations they must meet when providing account services to their customers. These obligations are ongoing so don't just apply at account opening stage. To comply with these obligations, they may need to review accounts. Sometimes these reviews will lead to the accounts being closed. If Monzo didn't do this, they could risk serious sanction.

Monzo are entitled to decide who they do business with, just as Mr L can decide who he wants to bank with. But it should be noted, that if a financial institution chooses to close an account, they should do so in line with the terms and conditions of the account and their reasons should be legitimate, fair and non- discriminatory. And having reviewed what Monzo has said, I'm satisfied it was entitled to close Mr L's account and did so in line with the terms and conditions and its legal and regulatory obligations.

I appreciate Mr L may want to know the reason Monzo closed his account. I know this will be disappointing to Mr L but I'm satisfied Monzo doesn't have to share their reason for closing his account. This type of information is often commercially sensitive. So, I don't think it did anything wrong in not explaining this to Mr L, even after he complained. Monzo does however have to share it with our service, so we can ensure it is acting correctly. It wouldn't be appropriate for me to share the reasons with Mr L, for the same reason as above. But I hope that it helps Mr L to know that someone impartial and independent has looked into his concerns.

Return of funds

Having reviewed the evidence Monzo have provided to justify why they didn't return the money in his account to Mr L, I'm satisfied no error was made and they acted in line with their legal and regulatory obligations.

I understand Mr L wants evidence of the Payment Order Monzo told him they received, but Mr L should refer to the court for more information on this.

I acknowledge that the closure notice on 18 June 2025 caused confusion by asking Mr L to provide account details so the money could be transferred to him, I can see how this raised his expectations about receiving the money.

Monzo didn't need to inform Mr L they were going to transfer the money elsewhere, prior to doing so. But they did explain the situation to him soon after – on 23 June 2025 - and given Monzo made no error in not returning the money to Mr L, I find this to be sufficient.

Customer service

I can see Mr L made Monzo aware of his health conditions and the impact the closure was having on him. He is unhappy they didn't make adequate reasonable adjustments to help him. As well as the closure itself, he's raised issues such as his calls being blocked and no call back made, having to complete identity checks over email, Monzo asking for evidence of his health conditions and his complaint being mishandled.

Mr L has complained that Monzo have failed to make reasonable adjustments for him. In other words, have failed their duty to make reasonable adjustments under the Equality Act 2010. I've taken the Equality Act 2010 into account when deciding this complaint – given that it's relevant law – but I've ultimately decided this complaint based on what's fair and reasonable. If Mr L wants a decision that Monzo has breached the Equality Act 2010, then he'd need to go to Court.

Having reviewed what happened following the closure, on the whole, I'm satisfied Monzo took Mr L's health seriously. The root of Mr L's distress stems from the fact he wanted the money in his account and felt Monzo were withholding this and ignoring his situation. But as I've already explained, Monzo acted correctly here, so I'm afraid it's unlikely Mr L's distress around this could have been avoided. But I have looked at whether any of the service he received added additional distress to the situation.

Monzo has confirmed Mr L would have been blocked from calling once his account was restricted, but I have seen numerous emails between Mr L and Monzo, so I'm satisfied Mr L could contact Monzo and wasn't being ignored. I also note that Mr L himself says in one of his emails that he prefers to be contacted by email. Monzo also made it clear that they couldn't guarantee a particular date and time for a call back, they just ask for a preferential time slot instead. This isn't unreasonable.

Monzo's questions around Mr L's identity and health conditions weren't unreasonable either. Monzo is entitled to confirm a customer's identity before sharing information with them in order to protect themselves and the account holder. And given Mr L had raised his health conditions, I'm satisfied Monzo's wellbeing team were asking him about these so they could ensure they were treating him accordingly.

I do acknowledge some confusion was caused by several complaints being logged. And as mentioned earlier, I do think Monzo's closure notice caused unnecessary confusion and raised Mr L's expectations around getting the money in his account back. But it doesn't follow that I must award Mr L compensation in these circumstances.

Instead, I have to consider all the circumstances and information surrounding Mr L's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.

After considering what Monzo have told us and Mr L's comments, I don't find awarding compensation to Mr L would be fair or appropriate. I understand Mr L will naturally want to know the information I have reviewed in order to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook. DISP 3.5.9R states:

“The ombudsman may:

(1) exclude evidence that would otherwise be admissible in a court or include evidence that would not be admissible in a court;

(2) accept information in confidence (so that only an edited version, summary or description is disclosed to the other party) where he considers it appropriate;

The evidence I have accepted in confidence is what Monzo have sent me to justify why they closed Mr L's account and didn't return the money to him. This has led me to decide that awarding Mr L compensation, would not be fair or appropriate for any service failings that took place.

My final decision

My final decision is that I don't uphold Mr L's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 22 October 2025.

Sarah Brimacombe
Ombudsman