

The complaint

Mr U complains that Monzo Bank Ltd (“Monzo”) blocked, then closed his account without notice and having regard for his circumstances. Mr U is also unhappy with how long Monzo took to release his balance, and about being asked to provide the same information repeatedly to pass Monzo’s security processes.

What happened

Mr U had a current account with Monzo, which he opened in December 2023.

In May 2025 Monzo decided to review Mr U’s account. As part of its review Monzo asked Mr U for evidence of his source of funds and how he used his account. Whilst it completed its review Monzo blocked Mr U’s account.

In response, Mr U sent Monzo redacted copies of bank account statements he had elsewhere to show his source of funds. Monzo told Mr U that it would look at the information and get back to him.

Unhappy with how long Monzo were taking to complete its review, Mr U reached out to Monzo via email and it’s in app-chat. He explained that he needed access to his funds to pay other urgent financial commitments and being without access to the money was making things difficult for him. He was also upset that each time he contacted Monzo he was asked to verify his identity which was time consuming and inconvenient.

Monzo reviewed everything and in June 2025 Monzo decided to close Mr U’s account with two months’ notice. At the time the balance of Mr U’s account was just over £70. Monzo sent Mr U a message in its in-app chat facility to let him know he would be able to use his account again. However, following this Monzo decided to close Mr U’s account immediately on 17 June 2025 and released Mr U’s closing balance to him.

Mr U was unhappy about Monzo’s actions and complained. In response, Monzo said it had reviewed and closed Mr U’s account in line with the terms and conditions. And that it had needed Mr U to complete its verification process for security. But Monzo accepted it didn’t provide Mr U with the service he could have expected – it apologised for any confusion it had caused Mr U by deciding to close his account immediately after giving him two months’ notice. It also accepted that it should have recognised and reacted to what Mr U had told them about his need to access the funds in his account quickly. To put things right Monzo offered Mr U £100 compensation.

Mr U remained unhappy, so he referred a complaint to this service. He said he’d submitted various documents including photographic identification and doesn’t understand why Monzo kept asking him to complete its security processes each time he contacted them about his account. He also said that Monzo hadn’t taken his financial hardship into consideration and took too long to give him back his account balance.

One of our investigators looked into Mr U’s complaint. After looking at all the evidence the investigator said Monzo hadn’t done anything wrong when it had closed Mr U’s account

without notice. The investigator acknowledged Monzo's service at times could have been better, but she said she couldn't tell Monzo to change its processes about how it keeps its customers' accounts secure. So, she didn't uphold Mr U's complaint.

Mr U disagreed. He said he had sent Monzo all the information it had requested promptly so there was no reason why Monzo should have taken as long as it did to carry out its review and release his money. Mr U said Monzo made mistakes and asked him for incorrect information, duplicated identification requests and didn't listen to him when he told them he needed his funds. So, he wants more 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.

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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 Mr U fairly. So, I'm persuaded I should take it into account when deciding the outcome of the complaint.

I'm very aware that I've summarised the events in this complaint in far less detail than the parties and I've done so using my own words. No discourtesy is intended by me in taking this approach. Instead, I've focused on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. But I have read all Mr U's detailed submissions.

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 U'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 U's account. I appreciate that Mr U wants to know more about why Monzo did what it did. But Monzo isn't obliged to tell Mr U 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 U 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 U'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. I can see that Monzo initially gave Mr U two months' notice but then decided to close his 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 U due to its commercial sensitivity. But I've seen nothing to suggest Monzo's decision around closing Mr U's account was unfair. So, it wouldn't be appropriate for me to ask Monzo to pay Mr U compensation since I don't find Monzo did anything wrong when it closed Mr U's account. I'm also satisfied that Monzo closed Mr U's account in line with the terms and conditions.

Mr U says Monzo kept asking him to complete its verification process when he contacted them. I've looked at the in-app chat and emails between Mr U and Monzo. I can see that Monzo did ask Mr U to provide a selfie photograph so that it could verify his identity on more than one occasion. Mr U has argued that this was repetitive and unnecessary. But I can also see that Monzo clearly explained to Mr U on more than one occasion why it needed to verify his identity. And that Mr U's emails weren't always part of the same email thread. So, Mr U had to provide a new selfie.

Mr U expressed his dissatisfaction to Monzo, regarding its verification processes – in particular having to provide his ID more than once. In response, Monzo highlighted that it is an app-based bank, and for convenience and security it tries to keep its processes within its app. Monzo explained that asking a customer to provide photo identification are some of the ways it keeps its accounts safe. I can appreciate that having to do this more than once would have been frustrating for Mr U.

I've thought carefully about Mr U's comments about why he was upset at being asked more than once to send Monzo a selfie. But having looked at all the circumstances of this complaint, I don't think Monzo acted unreasonably when it asked Mr U to complete this process via its banking app and email. There is a requirement for Monzo to protect its customers' accounts from fraud and keep their money safe. With that in mind, I consider it fair for Monzo to have asked Mr U to complete its verification checks.

I'm also satisfied that Monzo has these processes in place in order 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 U to provide the documents and verify his identification to complete this process.

Mr U has said that Monzo didn't keep him updated about what was happening with his account once it had started its review. And Monzo confused him about when his account would be closed – initially the bank told him two months and then decided to shut his account immediately.

Mr U also says Monzo took too long to finish its review and give him back his money. And didn't take on board that he was struggling financially. He has said being without access to his funds made it challenging to juggle his financial commitments, which was stressful. So, Mr U wants Monzo to pay him more compensation.

I can see from looking at the evidence that Mr U did contact Monzo on more than one occasion – seeking an explanation for why his account was blocked and when he would be able to access his balance. Monzo told Mr U that it would update him when it could. But didn't give him any meaningful information. Mr U also told Monzo repeatedly that he needed the money in his account. I can appreciate that this would have been frustrating for Mr U. So, I'm satisfied that Monzo's service fell short. But it doesn't follow that I must award Mr U compensation in these circumstances. Instead, I have to consider all the circumstances and information surrounding Mr U's complaint to decide whether I think awarding compensation would be a fair and reasonable outcome.

After considering what Mr U has said and the content of Monzo review, which includes the information Monzo has provided to our service in confidence, I don't find awarding Mr U compensation would be fair or appropriate. I understand Mr U would naturally want to know the information I have weighted in order to reach this finding. But as I've set out already, 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.

Accordingly, I have accepted information in confidence which I am not disclosing to Mr U. And the description of that information is that it's of a nature which justifies Monzo's review, and which has led me to decide that awarding Mr U compensation would not be a fair or appropriate outcome for any of the matters he has brought as part of this complaint.

So, I'm not requiring Monzo to compensate Mr U for any trouble and upset he may have experienced because of the time taken for Monzo to carry out its review, and the further dissatisfaction he experienced which ultimately flowed from not having access to the funds in his accounts, including his unhappiness with Monzo's communication about when it was closing his account, and the information it didn't provide him.

In summary, I recognise how strongly Mr U feels about what's happened. I don't doubt it has been a frustrating and worrying time. So, I realise Mr U will be disappointed by my decision. But, overall, based on the evidence I've seen, I won't be asking Monzo to do anything more to resolve Mr U'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 U to accept or reject my decision before 20 January 2026.

Sharon Kerrison
Ombudsman