

The complaint

Mr C complains about Monzo Bank Ltd and how it handled a payment review and the subsequent closure of his account.

What happened

Mr C had an account with Monzo. He has several accounts elsewhere too.

Mr C says he tried to make a £5,000 payment from his account with Monzo on 24 June 2025. He says his payment was declined and that Monzo started a payment review. He says that Monzo told him that his account would remain frozen – after it had reviewed the payment – and that it subsequently closed his account without explanation. He complained to Monzo saying that it had acted unfairly and unreasonably.

Monzo looked into Mr C's complaint and agreed to uphold it in part – it said that the payment review had taken longer than it should have done, that callbacks that had been promised didn't always happen and that there had been too much background noise on some calls. Monzo offered £50 in total - £20 in compensation and £30 in goodwill.

Mr C was unhappy with Monzo's response saying that he'd experienced significant distress and inconvenience and that his privacy had been violated given repeated requests for personal and unrelated financial information. So he referred his complaint to our service.

One of our investigators looked into Mr C's complaint but didn't recommend that it be upheld as they thought the compensation Monzo had paid was fair. Mr C was unhappy with our investigator's recommendations saying Monzo's actions had made him feel humiliated and stigmatised. He was also unhappy that Monzo had closed his account suddenly without explanation. He asked for his complaint to be referred to an ombudsman for a decision. His complaint was, as a result, 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.

I can see that Mr C attempted to make a payment of £5,000 to a well-known cryptocurrency exchange and that Monzo declined the payment and then started a payment review. That's because Monzo's systems had flagged the payment as a potentially risky one. I don't think that was unfair or unreasonable given the number of scams associated with cryptocurrency and the activity on Mr C's account. Nor do I think it was unfair or unreasonable of Monzo to start the payment review it did.

I can see that Monzo has accepted that the payment review took longer to carry out than it should have done – it has a 48-hour SLA and the payment review went four hours over. I can also see that Mr C called Monzo throughout the process – he was already unhappy when he'd been waiting three hours to hear back about the payment review let alone 48 hours – and that relatively early on he said that he wanted Monzo to close his account if it wasn't going to let the payment go through straightaway. However, having listened to all of the calls between Mr C and Monzo that we've been sent, I can understand why Monzo had concerns that Mr C was potentially falling victim to a scam.

For the reasons I've just given, I don't think Monzo acted unfairly or unreasonably in this case beyond the errors it's already acknowledged. I also agree with our investigator that the £50 that Monzo has paid in compensation for the impact of going over its own SLA and the poor handling of some of the calls fairly compensates Mr C. I'm not, therefore, going to ask Monzo to do more as it wouldn't be fair to do so.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 February 2026.

Nicolas Atkinson
Ombudsman