

## The complaint

Miss E had an account with Monzo Bank Ltd. She alerted Monzo to vulnerabilities she was facing and transactions she was disputing. Miss E is unhappy that Monzo hasn't refunded the transactions, hasn't supported her after she told it of her vulnerabilities, and following the disputes Monzo closed her account.

## What happened

In November 2024 Miss E contacted Monzo about some transactions she didn't recognise and at the same time she provided information to Monzo about excessive gambling and mental health issues she faced.

In December 2024 Monzo's customer wellbeing team reached out to Miss E to follow up on her communication relating to her vulnerabilities and gambling.

Throughout December 2024 and January 2025 Miss E had further transactions on her account that she disputed with Monzo.

In February 2025 Miss E raised further disputes on transactions that had come out her account. Monzo reviewed those disputes and informed Miss E it would not be able to treat the transactions as fraudulent and won't be able to re-imburse the charges. It explained, the information they have suggests only Miss E or an authorised user could have made these transactions. Monzo also explained that it had taken the decision to close Miss E's account and given until 20 April 2025 as notice to close.

Unhappy with this response Miss E contacted Monzo on its chat function. Miss E explained that she found the account closure quite distressing and asked if she could talk to someone about her vulnerable status. She didn't feel that Monzo closing the account was supporting her.

Following this Monzo issued a final response to the complaint. This explained Monzo had considered Miss E's situation when the decision was made, but it was confident it had made the correct decision to close the account. Monzo also explained the customer wellbeing team had discussed the disputes and the gambling not long ago. And that it had escalated a further request to have the team reach out to Miss E again.

Miss E was unhappy with this response, and she set out her whole complaint for Monzo to review, including information about the impact on closing her account, and setting out a number of transactions in January and February she considered to be part of a scam.

In March 2025 Monzo wrote a follow up final response letter re-iterating its position on the account closure and explaining that it didn't consider the payments highlighted to be fraudulent. Unhappy with this response, Miss E brought the complaint to our service to investigate.

One of our investigators looked at the complaint and issued an opinion on the case. They considered it more likely than not that Miss E used the gambling website for its services and

it was Miss E who authorised the transactions in question. They also considered the level of support Monzo provided to Miss E was reasonable and didn't think Monzo could have done more to identify the transactions as gambling or prevent them. The investigator reviewed the account closure but considered Monzo to have followed its terms and conditions when closing the account and didn't consider them to have done anything wrong. So, they didn't uphold the complaint.

Miss E disagreed with the outcome and asked for an ombudsman decision. Miss E explained she didn't think Monzo had followed FCA guidelines or took her vulnerabilities into consideration. She explained the consequences are still ongoing and are stressful and upsetting, and she didn't feel the support offered was adequate.

As no agreement has been reached it's 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 aware that I've summarised the events of the complaint in less detail than the parties and I've done so using my own words. No courtesy 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. I do stress however that I've considered what Miss E and Monzo has said before reaching my decision.

### Disputed transactions

Whilst I'm aware Miss E has previously raised a number of disputed transactions on the account, I'm only considering the transactions that have specifically been set out in her complaint to our service. These transactions are dated between 31 January 2025 and 22 February 2025.

When Miss E highlighted the transactions to Monzo she set out that she'd made the transactions herself, but they were payments made to a scammer, she didn't recognise the payments and wasn't sure what the website was, as it didn't reflect anyone she'd been dealing with. When bringing the complaint to our service, Miss E has explained these payments are fraudulent in the sense that when she looks up the merchant's name, they are different and unrelated to the casino website she was using.

Miss E has confirmed she was using an online casino based outside the UK, she hasn't said that she wasn't able to load money to the casino wallet or was unable to use the website. Her concern was that the merchant showing as being paid, was different to the merchant she was using. We are aware that some online casinos use third parties to process payments for them. This is what I think has happened here, and why its showing as a different merchant to what Miss E expected to see on her statement.

Monzo has declined the fraud claim on the basis that it was not able to treat the transactions as fraudulent and therefore it would not be able to reimburse Miss E. I find Monzo's response to be reasonable in the circumstances. Whilst I can understand Miss E's concern when different names are used for transactions than what she was expecting, this wouldn't on its own amount to Miss E suffering a loss due to fraud. I'm also satisfied that the

Mastercard chargeback rules don't cover these types of disputes. So, I've found no basis on which Monzo ought reasonably to be able to recover or re-imburse the transactions to Miss E.

Miss E had made Monzo aware of her vulnerabilities and problems with gambling. So Monzo were on notice of the increased risk of potential harm to Miss E. But the transactions didn't appear as gambling transactions and based on the amount and frequency of the transactions, would not have reasonably been seen as unusual or suspicious. So I don't think Monzo could reasonably have paused and questioned the payments before they were processed. Because of this I'm satisfied Monzo had no reasonable means of preventing the harm or financial loss in this instance. I'm therefore satisfied that Monzo should not be held responsible for the loss.

#### Account closure

It's generally for banks and financial businesses to decide whether or not they want to provide, or 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.

That's because Monzo is entitled to close an account with Miss E just as Miss E is entitled to close an account with Monzo. But before Monzo closes an account, it must do so in a way which is fair and complies with the terms and conditions of the account. I've looked at the terms and conditions, and they state that Monzo can end the agreement without notice in certain scenarios, or for any other reason it must provide at least two notice. Monzo provided Miss E with two months' notice so I can't say that it acted unfairly in processing the closure.

I have considered what Miss E has told us in relation to her vulnerabilities and how she considers the closure decision to have overridden the principles of protecting customers and their wellbeing. I understand Miss E's concerns and I'm sorry for the situation Miss E has found herself in. But considering all the evidence, I'm satisfied Monzo was aware of Miss E's vulnerabilities and considered them when making its decision to close the account. Given the circumstances and the reasons Monzo closed the account, and weighing that up against Miss E's vulnerabilities, I don't consider Monzo's decision to close the account in the way it did to have been unfair or unreasonable.

#### Monzo's support

I've seen evidence of the support Monzo has provided when it was informed of Miss E's vulnerabilities. Monzo has reached out and gathered more information about Miss E's situation to try and understand the best way to support her. Monzo has set out the support that it can provide to Miss E, and I found its responses and suggestions to be reasonable and in line with the support I'd expect a bank to provide. For example, Monzo asked about gambling and told Miss E she was able to apply for a gambling block on the account, it also asked if Miss E was receiving support for her gambling, and said it may be able to offer some support and point Miss E in the direction of free advice and support. Whilst I appreciate Miss E's perspective and recognise that the support offered, hasn't ultimately prevented her loss, I'm satisfied Monzo has offered the support I'd expect, and therefore I don't find any failing from Monzo that caused the loss.

I would like to assure Miss E that in considering what is fair and reasonable in all the circumstances of this complaint, I've taken into account all relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and where appropriate what I consider to have been good industry practice at the relevant time.

I realise this will be disappointing to Miss E, and I'm sorry to hear of the situation that she is in. But based on the available evidence, I won't be asking Monzo to do anything more to resolve Miss E'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 E to accept or reject my decision before 19 December 2025.

Simon Yates  
**Ombudsman**