

The complaint

T, a limited company complains Monzo Bank Limited (Monzo) reported information regarding its business account to Credit Reference Agencies which negatively impacted T's credit score.

T's complaint has been brought to our service by its director, Mr T.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here, I'll only provide a brief overview of some of the key events here.

T had a business account with Monzo. In April 2024, Mr T decided to move T's banking to another provider and opened accounts with two other banks. The account T had with Monzo became inactive but remained open.

In June 2025, Mr T contacted Monzo and asked them to stop reporting the account to credit reference agencies (CRA's). He said it was having a negative impact on T's credit score. He said he hadn't used the account and T's other accounts showed that T had a healthy turnover, but because the Monzo account wasn't showing any turnover it created a misleading and damaging impression of T's financial health.

Mr T sked Monzo to stop reporting the account to CRA's and made his complaint. Monzo said it reports accurate information to CRA's and doesn't have the ability to opt customers out of this. Monzo said the only way this would be stopped was if Mr T closed T's account. Mr T then asked Monzo to close the account. He said Monzo didn't have to report the account to CRA's as the account wasn't being used. In response Monzo said it had not done anything wrong.

An investigator looked at Mr T's complaint and said they didn't think Monzo had done anything wrong. They said the account was open and Monzo had a duty to report it to credit reference agencies. They also noted that it had closed the account once Mr T had asked it to and that Monzo's data privacy policy entitled them to report information about its accounts to CRA's.

Mr T didn't agree. He said his main point was that it was unfair to report an account that wasn't being used and doing so misrepresented T's financial health to CRA's and potential lenders. He thought that wasn't in line with data protection laws. To put things right Mr T said he wants an apology and 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.

In doing so, I've taken into account the relevant industry rules and guidance, and what would be considered as good industry practice.

I should explain, this service is not the regulator, that's the role of the Financial Conduct Authority. So, while Mr T considers Monzo shouldn't follow certain processes, and present information in a different way, even if I found that Monzo had acted unfairly, I wouldn't be able to instruct it to change its processes as a result.

I understand Mr T has strong feelings about this but, like the investigator, I can't see that Monzo's done anything significantly wrong. Although Mr T may not have been using T's account with Monzo, the account was still open. And Monzo had a duty to report this to credit reference agencies – it couldn't stop making the reports simply because Mr T wasn't using the account and had opened other accounts. Monzo's data privacy policy which Mr T agreed to when he opened T's account also sets out that Monzo will share details of its customer's accounts for as long as they are their customers.

I can see that Monzo reported T's business account as zero credit/debit turnover each month, since September 2024. This is accurate and as per the definition of credit/debit turnover for CRA reporting: 'The contents of this field should be the value of all payments into/debits out of the facility during the reporting period'.

From looking at T's account statements, I can see the account had a zero balance since April 2024 and zero credits or debits to the account since then. So the information Monzo reported was accurate. I acknowledge that Mr T has said that T's annual turnover is between £100-250k, but that is different to what Monzo report monthly.

Monzo might have thought about closing the account after there'd been no activity on the account for a period. But it was entitled to leave the account open pending contact from Mr T. That was in my view a legitimate use of its commercial judgement. It was Mr T's responsibility to keep an eye on his accounts. So, I can't say Monzo has treated T unfairly to report the account to CRA's between April 2024 and when the account closed in June 2025.

Monzo closed Mr T's account when he contacted it. It also then sent updated information to the credit reference agencies. So, I don't think it would be fair for me to ask Monzo to do anything else to resolve this complaint. What it reported to the credit reference agencies was accurate, and I don't think it did anything wrong by leaving Mr T's account open and making the report. That also means, I can't hold Monzo responsible for any applications T has made that have been declined.

My final decision

For the reasons given, I'm not going to ask Monzo Bank Limited to do anything else to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 29 May 2026.

Sharon Kerrison
Ombudsman