

### **The complaint**

Mr G complains Monzo Bank Limited (Monzo) refuse to remove a default from his credit file.

### **What happened**

Mr G says Monzo recorded a default on his credit file in April 2024, following a disputed chargeback transaction of £98.70 which left his personal account overdrawn. Mr G says despite the fact he has offered to clear the debt, Monzo have refused to remove the default on his credit file, which has been damaged by this.

Mr G says while he accepts he didn't respond initially to Monzo's notices, he feels the action it took was disproportionate and as an act of goodwill if he repays the debt, Monzo should agree to remove the default from his credit file.

Monzo says like all banks it has a responsibility to accurately record the true reflection of an account, so it won't be removing the default as it was applied correctly. Monzo says it wrote to Mr G on several occasions explaining the consequences of not paying the amount due, but these were ignored and the account has been subsequently closed.

Mr G wasn't happy with Monzo's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says from the information he had seen, Monzo had contacted Mr G on a regular basis regarding the chargeback and debt outstanding and what would happen if the amount wasn't repaid, but these went unanswered. The investigator says Monzo have a responsibility to accurately record account activity to the relevant credit reference agencies (CRA's), and although Mr G has now offered to repay the debt, Monzo acted reasonably when it defaulted the account when it did, so he can't tell it to now remove the default.

Mr G didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

### **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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would be upsetting for Mr G to have a default recorded on his credit file for a modest amount, which he has agreed to now repay.

Mr G's complaint centres around the fact that although he accepts he failed to respond to earlier requests from Monzo to settle the outstanding amount of £98.70, he has now agreed to do so and Monzo are acting disproportionately in insisting the default remains in place despite his efforts to settle matters.

While I understand the points Mr G makes here, I'm not fully persuaded by his argument and I will go on to explain why.

Mr G has accepted to some extent that Monzo carried out its processes properly but given he has now agreed to sort matters out, at the very least as a gesture of goodwill it should now act reasonably and remove the default from his credit file.

From the information I have seen the debt of £98.70 was caused by a rejected charge back in January 2024. From what I have seen Monzo contacted Mr G by email and SMS explaining the chargeback had been declined by the merchant and it was going to debit his account in February 2024. I can also see it repeatedly advised Mr G that by him not settling the debt it would default his account and a final notice of default was sent in April 2024, which remained unanswered as did further email messages about this thereafter.

It wasn't until June 2025 that Mr G contacted Monzo offering to settle matters if it agreed to remove the default from his credit file.

So here, although I understand that perhaps Mr G didn't realise the potential impact of a default on his credit file, even for a modest sum, what I'm being asked is to tell Monzo it must now remove that default as an offer to repay has been made. It's important to understand that Monzo like all lenders have a responsibility to accurately record account activity of its customers with the CRA's, and it's not for me to say it must consider exceptions especially when it has been correctly reported in line with its responsibilities.

So with that in mind it would be unfair of me to insist Monzo remove the default on Mr G's credit file. What I would say is if Mr G settles this outstanding sum with Monzo, that would be reflected on his credit file going forward. In addition if Mr G wishes, he could register a notice of correction with the CRA's explaining the circumstances surrounding the event.

While Mr G will be disappointed with my decision, I won't be asking anymore of Monzo.

### **My final decision**

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 G to accept or reject my decision before 29 December 2025.

Barry White  
**Ombudsman**