

The complaint

Monzo Bank Ltd ('Monzo') provided Mr N with a personal loan in February 2020. The loan was for £7,500 and was to be repaid by way of 24 monthly repayments of £324.63. Mr N says the loan was provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website and I've taken this into account in deciding Mr N's case.

I've decided the loan was provided fairly because:

- I think the checks Monzo did before providing the loan were reasonable and proportionate given the amount it was lending and what it knew about Mr N's financial situation, including the credit he already owed elsewhere.
- Mr N told Monzo about his earned income, residential status and housing costs. Monzo's checks didn't show any recent issues with Mr N's credit history. The affordability assessment Monzo carried out, which was based on a lower income figure, showed he was likely to have sufficient disposable income available to be able to sustainably repay the new loan.
- Based on the information Monzo gathered about Mr N's circumstances that was available to it at the time, there was therefore nothing to suggest he was likely to be unable to sustainably repay what he was being lent.
- I don't think Monzo acted unfairly in any other way.
- Mr N says Santander ought not to have agreed to the loan given the previous gambling activity on his Monzo account. I've seen that Monzo's checks before agreeing the loan didn't show or suggest Mr N to be at risk of getting into financial difficulty and didn't flag his gambling activity as being an issue of concern.

All of this means I don't think Monzo did anything wrong when it provided the loan.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Monzo lent irresponsibly to Mr N or otherwise treated him unfairly. I haven't seen anything to

suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr N hoped for. But for the reasons above, I'm not asking Monzo to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 26 February 2026.

Michael Goldberg

Ombudsman