

The complaint

Ms A complains that Monzo Ltd ('Monzo') closed her account without notice or explanation.

What happened

Ms A had a current account with Monzo. I'm aware Ms A had another account with Monzo, but this decision solely focuses on the closure of her current account.

On 10 March 2025, Monzo wrote to Ms A to inform her that it'd be closing her joint account, with immediate notice.

Ms A subsequently contacted Monzo because she was having problems receiving a payment into her current account and couldn't access it.

Monzo informed her a few days later, that her current account had been closed and said Ms A had previously been informed her account was going to be closed. Ms A responded to say she was informed about the closure of her joint account only. Ms A asked Monzo to provide its reason for closing her account. Monzo explained that it couldn't provide a reason and referred Ms A to the terms and conditions of the account.

Following this, Monzo wrote to Ms A on 18 March 2025 to confirm both her joint and current accounts had been closed.

Ms A referred her complaint to our service. Monzo acknowledged that it hadn't logged a complaint regarding Ms A's unhappiness about the closure of her account, so it hadn't issued a final response to Ms A.

One of our Investigators requested information from Monzo and looked into things. They didn't uphold the complaint and in summary, they said:

- In the same way that a customer could choose to change its account provider without providing a reason, Monzo was entitled to decide who it wanted to have as a customer and on what terms
- We'd asked Monzo to provide evidence in order to explain its reason for closing Ms A's account
- The evidence Monzo provided was reviewed and based on this, Monzo had acted in line with the account terms when closing the account
- Ms A had links with a business account Monzo had closed and its director, so Ms A's current account had also been closed

Ms A disagreed. She explained she didn't have any involvement with the business account Monzo had decided to close and her personal accounts were closed without an explanation being provided.

Ms A said she was in the process of moving home and pregnant at the time Monzo closed the account, which made the process of opening a new account distressing. Ms A added that she felt Monzo's actions were disproportionate and had left her in a financially vulnerable position and without access to banking services.

As no agreement could be reached, the matter has 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.

Monzo is entitled to end its relationship with a customer, as long as this is done fairly, doesn't breach law or regulations and is in line with the terms and conditions. Each bank has its own criteria and risk assessment for deciding whether to continue providing accounts. Providing an account to a customer is a commercial decision that a bank is entitled to take. That's because it has the commercial freedom to decide who it wants as a customer. And unless there's a good reason to do so, this service won't usually say that a bank must keep a customer. But they shouldn't close an account without proper reason, for instance of unfair bias or unlawful discrimination and they must treat customers fairly.

The terms and conditions of the account, which Ms A and Monzo had to comply with, say that it can close the account by giving her two months' notice. And in certain circumstances it can close an account immediately or with less notice. Monzo closed Ms A's account with immediate effect and has explained and given me information to show why it closed Ms A's account in the way it did. Having carefully considered this; I'm satisfied Monzo took this action in line with the obligations it must adhere to.

I'm aware Ms A would like a detailed explanation as to why Monzo closed her account. But Monzo isn't under any obligation to provide this. I would add too that our rules allow us to receive evidence in confidence. We may treat evidence from regulated businesses as confidential for a number of reasons – for example, if it contains security information, or commercially sensitive information. Some of the information Monzo has provided is information we consider should be kept confidential. Having carefully considered this information, I'm satisfied Monzo acted appropriately and in keeping with its regulatory duties.

I note Ms A wasn't initially aware her account had been closed as she was under the impression Monzo was only closing her joint account, until Monzo later clarified her current account was also closed. I appreciate the closure of her account was unexpected but given Ms A held a bank account with another provider, I consider she had access to banking facilities elsewhere and overall, I don't think Monzo did anything wrong in taking the decision to close Ms A's account.

I have noted Ms A's comments that she has no involvement with the business that had its account closed by Monzo and I appreciate the closure of the account caused Ms A distress and inconvenience, particularly due to her personal circumstances at the time, but having considered everything, I think Monzo have acted reasonably in the circumstances of the complaint - so I won't be directing Monzo to do anything to put things right.

My final decision

For the reasons above, I have decided to not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 5 January 2026.

Khadijah Nakhuda
Ombudsman