

The complaint

Mr M complained about Monzo Bank Ltd (Monzo) after it blocked a payment he attempted and restricted his account.

Mr M would like compensation for time spent dealing with this matter and for Monzo to review the ongoing block on payments to this merchant. He also wants Monzo to explain why the information he provided wasn't considered sufficient to satisfy its requirements.

What happened

On 19 October 2025 Monzo declined a five-figure payment and restricted Mr M's account when he tried to transfer money from his Monzo account to a commodities trading merchant. After discussions with Monzo's fraud team, the account restrictions were lifted, but Monzo maintained its block on the payment.

Monzo didn't uphold Mr M's complaint and said its internal procedures were correctly followed. It explained that its system flagged the payment as high-risk, which led to the decline and temporary suspension while investigations were carried out.

Our investigator thought that, despite giving Mr M some conflicting information, Monzo had acted fairly and reasonably overall and wasn't required to do anything more.

Mr M disagreed with our investigator. He particularly wants to know why Monzo has refused to allow the payment to go through after he's engaged with its fraud team and provided requested information. He doesn't feel that Monzo is entitled to deny him access to his money.

Mr M asked for an ombudsman review, so his complaint came 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 can understand why what's happened has been frustrating for Mr M. But having thought about everything, I've independently reached the same overall conclusions as our investigator. I'll explain my reasons.

To uphold Mr M's complaint and award the compensation he seeks, I would need to find that Monzo made an error or acted in a way that wasn't fair and reasonable. So I've looked at what happened with this in mind.

Monzo explained that its fraud detection system flagged the payment for additional checks before authorisation. These checks are designed to protect customers' money and prevent fraudulent activity. The account terms and conditions, which Mr M agreed to when opening his account, allow Monzo to refuse payment instructions in such circumstances.

So I don't find that Monzo made any error or did anything wrong when it blocked the transfer Mr M wanted to make and restricted his account pending further enquiries.

Nonetheless, Monzo still needed to act fairly and reasonably. Given the amount of the payment, and from listening to the call recordings provided, I'm satisfied Monzo had reasonable cause for concern. The proposed investment displayed characteristics commonly associated with fraud, which Monzo explained to Mr M.

Monzo must comply with legal and regulatory requirements and have measures to combat fraud and protect customers from scams. It has a duty of care to protect customers' money. Although Mr M believes he carried out due diligence, I can understand why Monzo continued to have concerns. And while the money belongs to Mr M, Monzo is responsible for how the account operates. Ultimately, it's Monzo's decision whether to authorise the payment.

Monzo could have communicated more clearly and managed Mr M's expectations better. However, this does not change the outcome. After completing its checks, Monzo lifted the general account restrictions but continued to block the payment due to ongoing concerns. I can't say that Monzo is acting unfairly or unreasonably when it continues not to authorise the payment whilst it still has concerns about the payment.

I understand that Mr M feels he's provided all necessary information and he'd like to know more about Monzo's risk profiling. But financial businesses aren't required to share such specific information about their security processes. I wouldn't reasonably expect Monzo to publicise information that could potentially compromise the security of systems it is required to maintain to protect customers (and Monzo).

I'm sorry that this has been such an upsetting experience for Mr M. But I am satisfied Monzo acted fairly and reasonably in accordance with its terms and conditions so it wouldn't be reasonable to require Monzo to compensate him.

I hope that setting things out as I've done helps explain how I've reached my conclusions.

My final decision

My final decision is that I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 January 2026.

Susan Webb
Ombudsman