

## **The complaint**

Monzo Bank Ltd ('Monzo') provided Mr R with an overdraft in January 2020 with a limit of £750. The limit was increased once, in October 2021, to £1,000. Mr R says Monzo failed to monitor the overdraft for financial difficulty.

## **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 R's case.

I've decided that Monzo acted fairly because:

- I think the checks Monzo used when agreeing the overdraft and the increase were reasonable and proportionate, given the overdraft limit being granted and what it knew about Mr R's financial situation.
- I also think the checks Monzo used were enough to monitor and review Mr R's overdraft usage. Although Mr R was making regular use of his overdraft, and occasionally went slightly over it, he was also able to reduce his balance and clear it on occasion. There were no other significant signs of financial distress.
- Based on what Monzo's checks found out when monitoring Mr R's overdraft and what it knew about his circumstances, there wasn't enough to suggest he was likely to be unable to continue repaying his overdraft or that being able to use it was worsening his financial situation.
- I also see Monzo wrote to Mr R to make him aware of his regular overdraft use and also reached out to offer help with managing his overdraft in 2022, so I don't think Monzo acted unfairly in any other way.

This means I don't think Monzo did anything wrong, either when it provided Mr R with the overdraft and increase or in the way it monitored his use of it.

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 R 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 R hoped for. I've seen what he's said in response to our investigator's finding and I've taken that into consideration. 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 R's complaint about Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 8 January 2026.

Michael Goldberg

**Ombudsman**