

The complaint

C, a company, complains that Monzo Bank Ltd unreasonably blocked a payment that its director, Mr T, attempted to make, resulting in a financial loss.

What happened

In November 2025, Mr T made a payment from C's Monzo account to a business account it held with another financial institution, R. He initially paid out £100, followed by a further attempted payment of £2,900 to the same account. Monzo stopped the latter payment for further security checks.

Mr T was unhappy that the payment was stopped. He has said that it prevented him from paying for a flight and he would now have to pay a further £300. He contacted Monzo through its online chat, and the agent explained that the checks needed to be completed by its specialist team before the payment could be released.

Mr T was then contacted on the chat by an agent from the specialist team. After he answered questions concerning the payment, it was released. This was within 40 minutes of its initial blocking.

Mr T was unhappy, as he'd requested to speak directly to an adviser rather than through the chat. He further thought that Monzo had unreasonably blocked the payment and had failed to give him a legitimate reason as to why this was the case. As he asserted that he had made multiple smaller payments to the account with R without issues some minutes earlier.

Monzo said it was not at fault and had unblocked the payment within the industry regulated time frame of 48 hours.

On referral to the Financial Ombudsman Service, our Investigator didn't think Monzo had acted unreasonably or unfairly here.

Mr T didn't agree. He believed, for the reasons set out above, that Monzo was in breach of the Payment Services Regulations 2017,

The matter has been referred to me for an Ombudsman's consideration.

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.

As an initial point, I've noted that Mr T has referred to another transaction that was blocked in December 2025. I can't deal with that in this decision, nor take it into account. If he wants to pursue that Mr T will need to make a further complaint to Monzo.

reasons for blocking the payment

In common with most other banks and financial institutions Monzo has an automatic service,

which will block certain payments until it can be satisfied that they are genuine, in line with what is required by banking regulations. In this case Monzo explained that the payment was being blocked for extra security checks to be carried out. In its final response it said the payment was flagged as being risky by its system. I note in the chat the agent said that it was being referred to one of its scam specialists to contact Mr T.

I understand that Mr T doesn't accept that as being a satisfactory explanation. However I wouldn't expect Monzo to disclose in detail any factors which its system identifies as being risky, as that information being made public could benefit any possible fraudsters.

On the point of Mr T having made previous payments to that account, I can identify one payment of £100 made on the same day. However I can't identify any further payments to that account from C's Monzo account for the whole of 2025. And in my view a £2,900 payment is quite different to a £100 payment.

communication

From what Mr T says he was made aware of the block virtually as soon as he tried to make the payment. I understand his point that he wanted to speak directly to an agent. However through the chat line he was able to chat directly with one rather than with the bot. That agent explained that they were unable to unblock the account, so it seems to me that it would have been of limited use to speak to anyone outside of the specialist team.

Mr T has referred to the Payment Services Regulations 2017. I don't think that Monzo was in breach of those. In particular, regulation 86 (1) allows for any payment to be credited within 48 hours. In this case it was credited within 40 minutes and I think that was reasonable.

financial loss

Mr T refers to a financial loss in respect of the cost of a flight he was booking. However he's not been able to show us evidence of this. He didn't raise this with Monzo at the time. In my view Monzo acted promptly to remove the block on the account and I don't think it could be held responsible if there was a loss.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 13 March 2026.

Ray Lawley
Ombudsman