

The complaint

Ms C complains that Monzo Bank Ltd should pay more compensation than offered so far after admitting it was responsible for unreasonable delay in restoring full access to her account after it was blocked for security checks.

What happened

Monzo froze Ms C's account on 19 September 2025 when a review was triggered and this affected the account until 17 October 2025. She says that during this period she was unable to access her funds or make payments and that she suffered severe financial hardship, despite repeatedly contacting Monzo.

Ms C also says Monzo repeatedly told her the account had been restored, before later informing her that a system error had kept the restrictions in place.

Monzo initially offered Ms C a small compensation payment by way of apology for its poor service. Unhappy with this, Ms C brought her complaint to us. When our investigator became involved, Monzo increased its offer to £200, which our investigator felt was fair. Ms C rejected this and asked for a full investigation. So her complaint has come 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've carried out an independent review and having done so, I've reached the same conclusion as our investigator. I'll explain my reasons.

Account freeze and missed opportunities

Monzo has told us that the required checks on Ms C's account were completed within a day on 19 September 2025 and she was informed that her account was restored back to normal use. In fact, the account remained subject to restrictions until 17 October 2025 - almost a month later. During this time, Ms C contacted Monzo several times to regain access.

Based on the evidence, I consider that Monzo missed opportunities to identify and correct the fact that restrictions were not removed when the checks were completed. While I accept the initial review and checks were carried out fairly, the extended and unnecessary delay was unfair. I also recognise the stress this caused Ms C.

Access to funds

Ms C has said she had no access to her money during this time. However, Monzo has supplied details of Ms C's account activity which supports that she was always able to make faster payments and transfer money to other accounts. Her bank statements show she made faster payments to external accounts throughout the time the restrictions applied. So it doesn't appear there was any restriction on faster payments throughout the period – some of

which appear to be for non-essential spending. And she made several faster payments between 8 - 14 October 2025 to a credit card. So whilst I can appreciate this was a worrying situation for her to find herself in, I am satisfied that she wasn't entirely without means to pay for food and other essentials.

Fair compensation

I don't doubt that what happened caused Ms C significant distress and anxiety, especially keeping in mind the vulnerability of her situation, and I think it's fair and reasonable that Monzo should compensate her for this. I consider that **£200** is fair compensation, taking into account her particular circumstances and:

- the length of time the account remained unnecessarily restricted
- the inconvenience and distress caused
- the fact Ms C still had some ability to move her funds
- £200 matches the level of award I would make in these circumstances had it not already been proposed and it's in line with the amount this service would award in similar cases.

Putting things right

Monzo should pay Ms C £200 compensation for the avoidable distress and anxiety caused by its failure to lift all account restrictions on 19 September 2025.

My final decision

My final decision is that I uphold this complaint and Monzo Bank Ltd should take the steps set out above to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 11 March 2026.

Susan Webb
Ombudsman