

The complaint

Mr W complains that Monzo Bank Limited acted unreasonably in connection with a standing order payment he'd set up.

What happened

Mr W set up a standing order in respect of his monthly rental costs. He instructed Monzo to make the first payment on 6 July 2025 and monthly thereafter.

Mr W was abroad when the first payment was due to leave his account. However, Monzo's systems blocked it in light of potential security concerns. It sent him a notification asking him to secure his account. It seems the block was in place until about 9 July 2025 at which point Mr W completed the necessary security steps to allow Monzo to unblock his account.

Mr W complained to Monzo.

It sent its complaint response on 22 July 2025. It explained that the payment was rejected by its security systems as it wanted to make sure the standing order payment was genuine. It explained that when this happens, customers receive a message. Monzo said it sent Mr W a message via the app at 01:41am on 6 July 2025 asking him to complete its identity verification process. It said it also sent him a push notification explaining that it had blocked certain transactions because it detected suspicious activity on Mr W's account. Whilst Monzo didn't think the situation should happen again in future in relation to the same payment, it said its security system can detect issues with any payment or merchant. Monzo didn't think it had done anything wrong.

Mr W complained to the Financial Ombudsman Service as he wasn't happy with Monzo's response. He explained, amongst other things, that Monzo's actions had caused him embarrassment because questions had been asked when his rental payment wasn't made on time. He also described the wider impact such as his account cards being temporarily blocked.

The complaint was assigned to one of our Investigators. Overall, he was satisfied that Monzo had followed its usual policies and procedures and that it acted fairly by trying to protect Mr W's account.

Mr W didn't agree and made various points in response. He also highlighted his concerns about the design of Monzo's security processes. As far as Mr W was concerned, Monzo ought to have been satisfied at the outset that the payment was genuine. But if it wasn't, it had ample time to check things between the standing order being set up and a payment being due to leave his account. Mr W asked an Ombudsman to consider the matter afresh. It's 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.

I can entirely understand Mr W's strength of feeling about what happened. Although I've considered all of his points very carefully, I'm not intending to address each individual point made. Instead, I'll focus on those that I see as being at the heart of Mr W's complaint.

Mr W's clearly taken issue with the design of Monzo's security systems. And he's gone on to describe the embarrassment he felt at being contacted by his landlord and managing agent when his rental payment couldn't be made. Given the steps he took, in good time, to set up the standing order, I can understand why he might think Monzo had acted unreasonably.

Having considered the evidence, overall, I don't think Monzo acted unfairly or unreasonably. I appreciate this might come as disappointing news to Mr W, so I hope the reasons I've given below are helpful in explaining how I arrived at this decision.

I'll say first that I don't have the power to tell Monzo how it should run its day-to-day business. That means I can't say when and how it should conduct checks to detect potentially fraudulent activity. They're commercial decisions for Monzo to make.

I start from the position that Monzo is required to act upon instructions it's given by a customer. But, alongside that, it has regulatory and other responsibilities to fulfil. And in the wake of increasing risks from fraud and scams, it's expected to protect its customers' accounts as far as possible. I think that's important context here.

Contrary to what Mr W seems to think happened, I've seen no persuasive evidence to suggest that Monzo carried out any specific checks when he first set up the standing order. But it does help to explain Mr W's concern. And particularly that, if Monzo did need to carry out more checks, it had ample time to do so before the payment left his account.

I think it's worth making the point here that even if Monzo had carried out the kind of checks Mr W might have expected at the outset, I don't think there was any guarantee that its systems wouldn't still detect a potential problem later on. As it transpired, potential concerns were highlighted at the point the first payment was due to leave Mr W's account. And it was at that point that Monzo asked Mr W to complete some additional security steps.

Mr W was abroad when the issue arose, and he says this caused him added problems because he had limited access to mobile data. I appreciate why that might have been problematic for him. But I don't think it's something that Monzo can be held responsible for, especially when it's required to act upon any concerns it might have.

Mr W also doesn't think Monzo did enough to communicate the problem to him. He says it sent him a "vague" notification which did not explain that his rental payment had been rejected. When bringing his complaint to the Financial Ombudsman Service Mr W suggested that due to Monzo's poor wording, he initially dismissed the message as unimportant. It appears that the block was in place for about three days before Mr W then took the steps needed to secure his account.

According to Monzo's evidence, it sent Mr W a push notification along with the banner notification in the app. It hasn't been able to provide a copy of the actual push notification, but it confirmed it would have said something like "*we've blocked transfers and some other actions because we spotted suspicious activity on your account*". And then when entering the app, Mr W would have seen a message along the lines of "*Please confirm your identity to unlock your account*".

According to the "*If something goes wrong*" section of Monzo's terms and conditions, it will notify the customer in the most secure way using one of the usual channels. Those channels appear to be through the Monzo app; email or via SMS. So, I'm satisfied Monzo communicated in line with the methods it publicises.

I agree with Mr W that Monzo's communication didn't expressly say that his standing order had been rejected. But I'm satisfied it was clear enough to highlight that there was a problem that Mr W needed to act upon. And the message in the app stated specifically that his account had been blocked. So, whilst I appreciate Mr W wouldn't have been able to check for himself whether the standing order payment had actually left his account, I'm mindful that

he could have contacted Monzo if he was concerned about whether the payment had been made or not. And potentially before he was alerted to the problem via his landlord and managing agent.

I also acknowledge that Mr W thinks Monzo should have tried to communicate with him via other means. Whilst I can appreciate why that might have been helpful to him at the time, I don't think Monzo's failure to do so means it's done something wrong. Again, I'm satisfied that Monzo communicated with Mr W via the methods it mentions in the terms and conditions of his account. And, importantly, from what he said, it seems Mr W received the communication.

In summary, whilst Mr W believes the entire episode could have been avoided if Monzo had completed checks at the outset, that's not something I have the power to direct it to do. And whilst I can see why different communication might have been more helpful to Mr W in these particular circumstances, I'm satisfied that Monzo did enough to act upon and alert him to the problem with his standing order payment.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 16 January 2026.

Amanda Scott
Ombudsman