

## **The complaint**

Mrs K doesn't feel that the £75 compensation offered to her by Monzo Bank Limited reflects the distress caused by an error it made with her account balance.

Additionally, Mrs K was unhappy that Monzo asked her to provide identification, and a selfie to allow them to process the refund.

## **What happened**

Mrs K disputed a card transaction in July 2025, which was refunded to her. On 12 September Monzo told her that they had refunded the incorrect amount and that she now owed them £0.37.

The Monzo account was closed on 17 September, and on 26 September Monzo took £45 from the account instead of the £0.37 they said she owed. As this created an unarranged overdraft Monzo wrote to Mrs K on 1 October 2025 asking her to repay the £45 and telling her that if she didn't they would report her to credit reference agencies.

To avoid damage to her credit file Mrs K made a payment of £45 to the account which was received on 3 October 2025.

On 3 October 2025 Monzo identified that an error had been made and refunded her account with £45. This left the account with a credit balance of £45 which was returned to Mrs K on 8 October 2025.

Mrs K raised a complaint about what had happened which Monzo upheld, and they offered her £75 as compensation.

Mrs K didn't feel that this reflected the distress and inconvenience she had suffered because of their error and so brought her complaint to this service.

Our investigator reviewed the case and took the view that Monzo had identified the error and acted quickly to correct it. No harm had been caused to Mrs K's credit file and so the investigator agreed that the compensation offered was fair and didn't ask Monzo to do anything more.

In relation to the requirement to provide a selfie and identification, the investigators' view was that Monzo are entitled to decide what they deem appropriate to authenticate customers.

## **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.

Having done so I agree with the investigator and don't uphold this complaint.

It isn't in dispute that Monzo made an error in debiting the account with £45 and in issuing a request for repayment. What I need to consider is if the £75 Monzo have offered is fair and reasonable in compensation for this, I think it is.

I will explain the key considerations that have gone into my decision. Monzo corrected their error quickly – within 3 working days – of it being identified.

Monzo took full responsibility for the mistake in their final response letter of 16 October 2025 and upheld the complaint. The length of time between the error being made and the complaint resolution letter being issued by Monzo was less than 3 weeks.

In the resolution letter Monzo confirmed that Mrs Ks credit file had not been affected, confirmed that all identification and data related to the issue would be deleted, apologised and offered £75 compensation in recognition of the distress and inconvenience caused.

I can understand why Mrs K felt distressed by being put into an unarranged overdraft position. But I am satisfied that while Monzo did make a mistake they took actions to resolve it quickly.

Our website offers examples of the range of compensation we consider is enough to remedy a mistake. Typically, an amount of less than £100 will fairly compensate a one-off incident such as an administrative error or small delay such as I think happened here.

While Mrs K doesn't feel it's reasonable for Monzo to require a selfie and other identification, it's not for me to tell Monzo how they must identify their customers or to comment on their processes and procedures.

I believe that the level of compensation offered is fair and reasonable for the error that was made and the time it took to put things right. I don't intend to ask Monzo to do anything more.

I know this will be disappointing to Mrs K, but I hope I have explained clearly why I can't say that Monzo have acted unfairly.

### **My final decision**

For the reasons given above, I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 19 March 2026.

Petina Edwards  
**Ombudsman**