

## **The complaint**

Mr B is unhappy that Monzo Bank Limited did not defer a payment to the end of the month as requested, which led to his repayment plan changing and interest being applied, and that he received poor service when trying to resolve this.

## **What happened**

Mr B holds a Monzo Flex account, which allows eligible purchases to be repaid in instalments. Some instalment plans offer an interest-free promotional period, provided monthly payments are made on the agreed due date. Mr B's Flex payment date was the 15th of each month.

A Flex payment due on 15 September 2025 was not made. On 21 September 2025, after the payment had already become overdue, Mr B contacted Monzo via in-app chat and asked if that payment could be moved to the end of the month, when he expected to be paid.

Monzo responded the following day. They asked Mr B to confirm the date he wished to make the payment and also asked whether the repayment would be for the full amount due. Mr B replied confirming that he wanted the payment to be made on the last day of the month, but he did not confirm the amount he would be paying.

Later the same day, Monzo followed up and asked how much Mr B expected to add to his account on that date and whether this would be affordable, explaining that this information was needed before any support or repayment arrangement could be put in place. Mr B did not respond to these questions, and the chat conversation subsequently closed.

As the missed payment was not brought up to date within seven days of the due date, and no repayment arrangement had been agreed, Monzo's system automatically adjusted Mr B's Flex plans to minimum payments over the longest available term. As a result, interest was applied in line with the Flex agreement.

On 30 September 2025, Mr B contacted Monzo again after noticing that his Flex plan had changed and that interest had been added. He told Monzo he had not agreed to these changes and said that the original repayments should have been deferred as requested. Monzo explained that, because the payment had not been made and the required information had not been provided, no arrangement had been set up, and the account had been administered according to the Flex terms.

Mr B raised a complaint with Monzo. He said that Monzo had failed to act on his request to delay the payment, had changed his repayment plan without his agreement, and had provided poor service, including slow and unhelpful responses. He also raised concerns about delays and difficulties he experienced when trying to set up a digital pay service.

Monzo responded to Mr B but did not uphold the complaint. They said that the plan changes and application of interest followed a missed payment and had been undertaken in line with the Flex agreement, and that their service had met expected standards. Mr B wasn't satisfied with Monzo's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Monzo had acted unfairly as Mr B contended and didn't uphold the complaint. Mr B didn't agree, so the matter was escalated to an ombudsman for a final 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.

### **The complaint**

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### **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.

Mr B is unhappy that Monzo did not defer his September 2025 Flex payment to the end of the month as requested, and that this led to his repayment plan being changed and interest being applied. I appreciate why Mr B found this frustrating, particularly as he had contacted Monzo before the repayment plan changed.

I agree with Mr B that his initial message to Monzo, sent via in-app chat on 21 September, clearly communicated that he wished to defer a single Flex payment to the end of the month. I don't consider that message to have been ambiguous in isolation.

However, the payment due on 15 September 2025 had already been missed when Mr B contacted Monzo. In those circumstances, Monzo reasonably needed to decide whether they could put a repayment arrangement in place and, if so, whether the proposed payment would be affordable. To do that, they explicitly asked Mr B to confirm both the date he wished to make the payment and whether the repayment would be for the full amount due.

Mr B responded to that message confirming the date but did not confirm the amount. Monzo then followed up later the same day and asked further questions about how much Mr B expected to add to his account and whether he could afford to do so. Mr B did not respond to those questions and the chat subsequently closed.

I'm satisfied that it was reasonable for Monzo to ask for this information before making any changes. Once Monzo had clearly and specifically asked for confirmation of the payment amount and affordability, it was reasonable for them to wait for a response rather than proceed on the basis of assumption. As that information wasn't provided, no repayment arrangement was agreed.

Under the terms of the Flex agreement, if a payment is not made within seven days of the due date and no arrangement is in place, the account can be switched to minimum payments over the longest available term, with interest applied. By the time Mr B contacted Monzo, most of that seven-day period had already elapsed. As the missed payment was not brought up to date and no arrangement was agreed within that timeframe, Monzo adjusted Mr B's Flex plans in line with the account terms.

Taking all of this into account, I'm satisfied that the change to Mr B's repayment plan and the application of interest arose from the operation of the Flex agreement following a missed payment, rather than from any unfair or unreasonable action by Monzo. I therefore do not uphold this aspect of the complaint.

Mr B has also raised concerns about the level of service he received, including slow responses, repeated explanations, and difficulties setting up a digital payment service on his smart watch.

I've reviewed the available chat transcripts and call recordings. While it's clear that Mr B

experienced delays at times and found the process frustrating, I haven't seen evidence that Monzo's staff were rude, dismissive, or discourteous. The responses were generally polite and focused on explaining Monzo's position or following required processes.

In relation to the digital payment service, Monzo asked Mr B to complete security checks before enabling the card on his watch. Some steps had to be repeated because the information initially provided did not meet Monzo's security requirements. While this meant the process took longer than Mr B expected, the issue was eventually resolved and I haven't seen evidence that Monzo failed to follow appropriate procedures or that the delay caused any financial loss.

Overall, I don't consider that the service Mr B received fell so far below what would reasonably be expected as to amount to unfair treatment.

Mr B has said that his credit record was affected by what took place. I've considered whether Monzo reported anything inaccurately. The evidence shows that a payment was missed and that the account was then managed in line with the Flex agreement. I haven't seen evidence that Monzo recorded incorrect information, and accurate reporting of arrears in these circumstances wouldn't be unfair.

Mr B is also unhappy with how Monzo handled his complaints, including delays, mixed messages about timescales, and confusion about whether multiple complaints had been logged. I understand why this added to his dissatisfaction.

However, this service can only consider complaints about regulated financial activities. Complaint handling itself isn't a regulated activity, so the Financial Ombudsman Service doesn't have the power to make findings or require redress solely in relation to how a business handles complaints. For that reason, I'm unable to consider this part of Mr B's concerns.

All of which means that I won't be upholding this complaint or instructing Monzo to take any form of action here. This is because I'm satisfied that Monzo acted in line with the Flex agreement and didn't treat Mr B unfairly. I realise this won't be the outcome Mr B was wanting, but I hope he will understand, given all that I've explained and the impartial role of this service, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 21 May 2026.

Paul Cooper  
**Ombudsman**