

## **The complaint**

Mr L complains about the service he received from Monzo Bank Limited (“Monzo”) when he was on a business trip abroad and his card was blocked resulting in him not being able to access his funds.

## **What happened**

Mr L was abroad on a three-month business trip. Due to a third-party merchant mislabelling a transaction Monzo’s systems flagged the transaction as suspected fraud and applied restrictions to Mr L’s card and notified Mr L about this. Although the transaction was legitimate Mr L didn’t immediately recognise it due to the mis-labelling and confirmed to Monzo through its app that he didn’t make the transaction. The block remained on the card and a replacement card was ordered to Mr L’s registered address.

Mr L contacted Monzo through its online chat to find out how he could access his account and funds without a card. Mr L didn’t want to unblock his card as it had potentially been compromised, but wanted information on how to set up a virtual card and how to arrange for a physical card to be sent to him at his address abroad.

Early on in the course of the conversation Mr L made Monzo aware he was partially sighted and not having his glasses was making it extremely difficult and requested a phone number to call Monzo on. Monzo provided this within a matter of minutes including an international number, but Mr L explained he had no international calling capability.

Later on when again referencing the difficulties he was having without his glasses Monzo stated that a referral had been made to its Wellbeing Team to see if it could provide Mr L with any extra assistance.

Mr L was asked several times if he recognised the transaction in question, but Mr L failed to confirm this and so the card remained blocked. Monzo confirmed it could arrange for the replacement card to be sent to him abroad and the cost. Monzo explained that he could still access his funds via activating a virtual card held in a digital wallet as well as temporarily unblocking the old card to make urgent card payments or cash withdrawals from an ATM.

The webchat went on for four hours during which time Mr L repeatedly explained the issue and asked multiple questions some of which went unanswered and instead Mr L was referred back to previous statements Monzo had made.

Following this Mr L was able to access his funds via the virtual card with the help of a friend. Mr L decided to cancel his business trip early and complained to Monzo about the blocking of his card and the service and support it provided regarding accessing his funds.

Monzo didn’t agree that it made an error in blocking Mr L’s card but agreed the customer service received could’ve been better as the service he’d received wasn’t as thorough or helpful as it should’ve been and so to put things right Monzo compensated Mr L £40.

Mr L was dissatisfied with this and so brought his complaint to this service. Mr L says he was subject to a degrading cycle of AI chatbots and poorly trained agents who repeatedly instructed him to re-read previous messages despite him explaining he was partially sighted and unable to do so easily and failed to answer his questions. Mr L is seeking compensation of £2,500 for both financial and non-financial losses and requests that the matter is referred to the Financial Conduct Authority (FCA) for investigation as he believes Monzo has breached a number of its regulatory requirements.

Following bringing his complaint to this service Monzo offered Mr L a further £40 to settle his complaint which Mr L rejected.

Mr L says Monzo's conduct fell below mandatory regulatory standards and that it failed to make reasonable adjustments for him despite identifying himself as being partially sighted. Mr L says asking him to re-read text on a small screen and offering a phone number to someone that had no international calling capability is not a reasonable adjustment.

One of our investigators looked into Mr L's concerns and thought the action Monzo had taken in cancelling Mr L's card was correct for security purposes as he wasn't able to identify a payment and Monzo believed his card details had been compromised.

They thought Monzo had done enough to support Mr L's particular needs by providing a phone number promptly when asked and noted that Monzo's Wellbeing Team had subsequently reached out to Mr L and he had declined any additional support.

However, they agreed that the service Monzo had provided online was poor at times as there were multiple occasions where questions Mr L asked were not answered sufficiently or he was redirected back to previous statements Monzo had made. But they thought given the key information requested and a resolution was provided within a relatively short period of time and Monzo had provided suitable alternatives to ensure he could access his funds that the total compensation offered was fair for the impact had.

Mr L disagreed with this assessment and says his complaint is about regulatory non-compliance with the Consumer Duty, FCA principles and failure to adhere to guidance on the fair treatment of vulnerable customers, rather than a customer service matter. Mr L believes Monzo should've examined its own data and understood the transaction in question was a regular subscription to a merchant he had a relationship with and removed the block. Mr L says as a result of Monzo's conduct he had no access to his money and was forced to cancel his business trip and has asked for an ombudsman's decision on the matter.

### **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 hope that Mr L won't take it as a discourtesy that I've described his complaint in the way that I have. Ours is an informal dispute resolution service and I've concentrated on what I consider to be the crux of the complaint – our rules allow me to do that.

And the crux of Mr L's complaint is regarding the service he received from Monzo when he contacted it about accessing his funds following a block being applied to his card whilst he was abroad. Mr L believes Monzo has failed to comply with its regulatory duties under the Consumer Duty and other FCA principles and guidance.

It might be worth setting out here that this service doesn't supervise, regulate or discipline the businesses we cover. And my role isn't to punish or penalise businesses for their

performance or behaviour – that’s the role of the regulator, in this case the FCA. We offer an informal dispute resolution service and we have no regulatory or disciplinary role. If Mr L wants the FCA to investigate Monzo’s compliance with its regulatory requirements he is free to raise it directly with the FCA himself.

My role rather is to look at problems that Mr L has experienced and see if Monzo has done anything wrong while taking relevant law and regulation into consideration. If it has, I’d seek to put Mr L back in the position he would’ve been in if the mistakes hadn’t happened. And we may award compensation that we think is fair and reasonable.

So, the first question I have to ask here is did Monzo do anything wrong when it applied a block to Mr L’s card when it had identified a potential fraudulent transaction and he wasn’t able to confirm the legitimacy of it. And I don’t think Monzo did do anything wrong or its actions were unreasonable. While it’s not for me to tell Monzo how to run its business, I would expect Monzo to have policies and processes in place to protect it and its customers against fraud – and I think Mr L would agree and understand that.

Monzo like many banks have automated systems in place that pick up on suspicious activity and apply restrictions to customers’ accounts when certain triggers are met. And while Mr L was abroad Monzo’s systems detected a potentially fraudulent transaction and applied a block to his card until Mr L could verify the activity was legitimate.

I appreciate this was highly inconvenient for Mr L being abroad and being unable to use his card temporarily, but I don’t think it is unreasonable that Monzo in-line with its procedures correctly applied the restrictions it did and ordered Mr L a replacement card. Furthermore, I don’t think it unreasonable for the responsibility of confirming the transaction be on Mr L. Mr L is the one who authorised it and I don’t think it would be fair or practical to expect Monzo to analyse all its customers transactions and make a decision on their behalf about whether something is fraudulent or not.

I also don’t agree that that Monzo treated Mr L unfairly when he explained the difficulties he was having communicating with it without his glasses on a small screen. It was Mr L who contacted Monzo using the chatbot and Monzo wasn’t to know that Mr L didn’t have his glasses or was partially sighted. And within minutes of Mr L explaining this and asking for a number Monzo provided this. I appreciate Mr L says he wasn’t capable of making international calls but I’m not sure in the circumstances what other options for communicating with Monzo it could provide that were within its control.

I accept that a referral to Monzo’s Wellbeing Team and a note regarding Mr L’s sight could potentially have been made earlier. However, having reviewed the transcript, I am not persuaded that Mr L made it clear he required any specific adjustments beyond the provision of a contact number. Indeed, when the Wellbeing Team did reach out Mr L he declined any additional support.

That said, I agree that Monzo’s customer service could have been better in other respects. Mr L sought information that should have been straightforward to provide about accessing his funds without a physical card while abroad. Instead, across multiple chat interactions, he was required to repeat his request and was often referred back to previous messages rather than being given clear, direct answers or guidance on loading a virtual card to his digital wallet.

However, as Monzo did ultimately provide the information Mr L needed—albeit not as clearly or promptly as it should have—and Mr L was able to access his funds with a friend’s assistance, and I haven’t seen evidence of financial loss arising from the webchat, I consider

the additional £40 offered by Monzo, on top of the £40 already paid, to be fair compensation for the distress and inconvenience caused.

While Mr L says he curtailed his trip as a result of these events, that was his decision, and I do not consider it the result of any failing on Monzo's part.

Although I sympathise with the frustration Mr L experienced, I am not persuaded that an increase on the compensation already offered is warranted and so I think the further £40 offered by Monzo to be a fair resolution, and I do not require Monzo to take any additional action.

### **My final decision**

For the reasons I've explained, I think the £40 Monzo Bank Limited offered to settle Mr L's complaint is fair and I direct that if it hasn't done so already it pay Mr L this now.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 May 2026.

Caroline Davies  
**Ombudsman**