

## **The complaint**

Mrs J complains Monzo Bank Ltd (“Monzo”) closed her account with immediate effect and withheld her funds for an unreasonable period.

Mrs J says Monzo’s actions have caused her significant financial difficulty, distress and inconvenience particularly as she has a young family to provide for.

## **What happened**

The details of this complaint are well known by both parties, so I won’t repeat them again here. Instead, I’ll focus on giving my reasons for my 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.

Having done so, I have decided not to uphold this complaint. I’ll explain why.

Banks in the UK, like Monzo, are strictly regulated and must take certain actions in order to meet their legal and regulatory obligations. They are also required to carry out ongoing monitoring of an existing business relationship. That sometimes means Monzo needs to restrict, or in some cases go as far as closing, customers’ accounts.

Monzo has given me an explanation and provided supporting evidence as to why it reviewed Mrs J’s account. After carefully reviewing this, I’m satisfied Monzo acted in line with its obligations.

Monzo is entitled to close an account just as a customer may close an account with it. But before Monzo closes an account, it must do so in a way, which complies with the terms and conditions of the account. The terms and conditions of the account, which Monzo and Mrs J had to comply with, say that it could close the account by giving her at least two months’ notice. And in certain circumstances it can close an account immediately or with less notice.

Monzo closed Mrs J’s account with immediate effect. Based on the evidence and explanation Monzo has provided me, I’m satisfied it acted in line with the terms of the account in doing so. I know Mrs J would like a detailed explanation, but Monzo is under no obligation to do so.

Mrs J is mainly unhappy about the length of time it took Monzo to return her funds and how it handled her complaint – principally for how long it took. Monzo has explained why it withheld the funds for as long as it did. Given its wider obligations, I’m satisfied Monzo didn’t do anything wrong here.

In its most recent final response, Monzo offered Mrs J £25 compensation for making Mrs J feel she wasn’t being listened to. And £100 for taking longer than Monzo would have liked to complete the account review. Monzo doesn’t need to do anymore.

To be clear, I make no direction of compensation given I don't think it's appropriate to do so. I understand Mrs J would want to know the information I have weighed to reach this finding. But I am treating this information in confidence, which is a power afforded to me under the Dispute Resolution Rules (DISP), which form part of the Financial Conduct Authority's regulatory handbook.

### **My final decision**

For the reasons above, I have decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 9 April 2026.

Ketan Nagla  
**Ombudsman**