

## **The complaint**

T, a limited company, complains Monzo Bank Limited closed their accounts without notice and there were delays in releasing the remaining funds. They'd like to be compensated.

## **What happened**

T held an account with Monzo. But in June 2025 Monzo suddenly blocked the account and denied access to the funds held. Several days later they informed T they wouldn't be providing banking services anymore and asked for details of where to return the funds.

T complained to Monzo, saying the abrupt closure had left them unable to pay suppliers and manage day-to-day operations. They also complained of difficulties retrieving the outstanding balance. But Monzo didn't change their minds and declined to provide a rationale for the closure. But they offered T £25 for delays in assessing the complaint.

Dissatisfied with this T referred their complaint to our service. One of our investigators looked into what happened, but she didn't think Monzo needed to do anything further. T disagreed, and as such the complaint has 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.

Our investigator was right to point out Monzo, like all banks and financial businesses in the UK, have ongoing legal and regulatory obligations to monitor their accounts and banking relationships. Broadly these obligations can be described as a duty to mitigate the risk from financial harm – such as fraud and money laundering. If a bank doesn't stick to these obligations, the consequences for them can be severe. So, it's reasonable they treat these seriously.

This means a bank may occasionally need to take a closer look at an account, or their customer. And they may then decide they can no longer provide banking services for their customer – there is provision for either party ending the relationship in the terms. And if a bank has made the decision to close an account, it would be rare for our service to say they should have kept servicing it without very good reason. Instead, we would look to see if the decision was made in line with the terms of the account.

Here, the terms allow Monzo to close the account for any reason, so long as they provide at least two months' notice. This is in line with the relevant regulations on payment accounts. But here T's account was in effect closed without any prior notice. The terms only allow for this in limited circumstances.

T has said Monzo haven't explained why they decided to close the account. But there is no specific obligation on Monzo to do this. In this case Monzo have declined to provide significant detail to T, and this is entirely reasonable. But they have provided some more detail to our service. The rules of our service allow me to treat certain evidence as

confidential – for example if it involves information about third parties, or security procedures.

Here, I've considered Monzo's reasoning. Given the nature of the concerns I see it's appropriate these remain confidential. So, I'm not going to detail this in full here. But I'm satisfied Monzo's concerns were reasonable, and sufficient for them to decide to withdraw access to T's account immediately in line with the terms.

I've no doubt this was disruptive to T's business. But as this was a decision Monzo were entitled to make, I don't see they need to do anything further in this regard.

I can see Monzo explained what information they required to release the remaining funds in T's account – and I don't consider the information requested to have been onerous, or Monzo have done anything to unreasonably delay the release of funds.

Monzo have accepted they didn't respond to T's complaint in time and have offered £25 in compensation. I appreciate this isn't what T wanted, so I'll leave it up to them whether they accept it or not. If they do, they may wish to speak to Monzo directly.

In terms of the closure of T's account, while I can appreciate this will be disappointing to them, but I don't see Monzo have been unfair or unreasonable.

### **My final decision**

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 12 May 2026.

Thom Bennett  
**Ombudsman**