

## **Complaint**

Ms A complains that Monzo Bank Ltd repeatedly blocked and then closed her account without explanation. She also says Monzo took too long to release her funds.

## **Background**

Ms A had a current with Monzo.

Between September 2018 and 20 November 2018, Monzo carried out three separate reviews of Ms A's account. Whilst it carried out its reviews it placed a block on the account. This meant Ms A couldn't access the money in her account or make any transactions out of the account.

Monzo completed its first two reviews within two days. The third review of Ms A's account started on 31 October 2018 and was completed on 20 November 2018. Following its third review, Monzo decided to close Ms A's accounts and wrote to her to let her know she needed to make alternative banking arrangements. Monzo released the money in Ms A's account on 22 November 2018.

Ms A says she's operated her account properly since opening it in May 2018 and hasn't done anything wrong. She's explained that the repeated blocking of her account caused her a great deal of stress and inconvenience. She's said she was left without any money for everyday expenses including food and rent. And had to borrow money from friends to get by, which was embarrassing and upsetting. Ms A has also explained that at the time she was unwell and undergoing treatment for a very serious health condition. So not being able to access her accounts made her already stressful situation much worse.

Ms A complained to the bank. Monzo said it hadn't done anything wrong. And it had blocked and then closed Ms A's account in line with the account terms and conditions. Ms A wasn't happy with this response. She wants Monzo to apologise and give her an explanation for why it kept blocking and then closed her account. She also wants Monzo to pay her compensation for the trouble and upset she's been caused.

An investigator looked at Ms A's complaint. She said Monzo hadn't done anything wrong when it blocked and closed Ms A's account. Ms A disagreed. She's still upset by what happened and says Monzo kept hold of her money for two months which caused her a great deal of stress and anxiety.

As no agreement could be reached the matter has come to me to decide.

## **My findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm very sorry to hear that Ms A has been so unwell and that what happened made an already difficult situation much harder. It's clear from what Ms A has told us and the bank that she feels very strongly about her complaint. And I appreciate Ms A is upset Monzo blocked and closed her account. But for me to uphold this complaint, I must be satisfied that the bank has done something that wrong. And in this case, I don't think it has. I'll explain why.

Anti-money laundering regulations and UK legislation (which includes the Financial Services and Markets Act 2000, the Proceeds of Crime Act 2002, the Money Laundering Regulations 2017 and the Financial Conduct Authority's financial crime requirements, place extensive obligations on regulated financial businesses to verify a customer's identity, establish the purpose and nature of the business relationship and the origin of funds. Businesses are also required to carry out ongoing monitoring of an existing business relationship. Monzo has said that Ms A's account was blocked to meet these legal requirements.

Ms A says she hasn't done anything which would cause Monzo to keep blocking and then close her account. And that may be the case. But as I've already explained businesses have a legal obligation to comply with various laws and regulations. Having looked at what's happened in this case, I'm satisfied that the bank was complying with its legal and regulatory obligations when it blocked Ms A's account each time. So, I can't say it has done anything wrong. The terms and conditions of Ms A's accounts also permit Monzo to block an account. Having considered those terms, I'm satisfied Monzo acted in line with them.

The terms and conditions of the account, which both Monzo and Ms A had to comply with also say that under certain circumstances, it could close Ms A's account immediately. I think considering what happened in this case it's fair and reasonable Monzo took the action it did. I can also see that Monzo wrote to Ms A on 20 November 2018, to let her know it was closing her account immediately. So, it's entitled to close Ms A's account as it's already done.

I know Ms A is frustrated that she hasn't been given a proper explanation *why* her account was blocked and then closed. But under the terms and conditions Monzo doesn't have to give a reason for doing so. So, I can't say Monzo has done anything wrong by not giving Ms A this information as much as she'd like to know.

Ms A says the last time Monzo blocked her account it kept hold of her money for two months. However, this doesn't appear to be the case. I say this because Monzo has provided us with a screen shot showing Ms A's funds were paid into a new account on 22 November 2018. So, I'm satisfied that Ms A's account was blocked for approximately 20 days, and not two months as Ms A has suggested. Having said that, any review should be completed in a timely manner. And having looked at the enquiries Monzo was completing I think it carried out the review as quickly as possible. I can also see that as soon as it had finished it released Ms A's funds to her immediately.

In summary, I recognise how strongly Ms A feels about what's happened, and I don't doubt it was a frustrating and worrying time. So, I realise Ms A will be disappointed by my decision, but overall, based on the evidence I've seen, I can't say Monzo have acted unreasonably and treated Ms A unfairly when it blocked and closed her account. So, I'm not going to ask them to do anything.

### **My final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 20 March 2020.

Sharon Kerrison

**ombudsman**