

The complaint

Mr B complains Monzo Bank Limited has closed his account unfairly.

What happened

Mr B opened a current account with Monzo in January 2019. He'd had a number of accounts with other businesses, and a poor credit file as well as a CIFAS marker against his name. The account allowed Mr B to block gambling transactions – a feature Mr B used extensively as he has problems with gambling.

At the end of March 2020, Mr B complained to us that Monzo had given him two months' notice of its intention to close his account. Mr B was very upset as he says Monzo had just put in place arrangements to make sure his account would run smoothly. He said that Monzo had decided to close his account because of another complaint we'd looked at.

Monzo said that it hadn't acted unfairly when it had taken the decision to close his account. Mr B said he was unhappy with Monzo's response, so we looked into his complaint.

Our investigator thought that Monzo had acted unfairly and said that it should keep his account open as Mr B would also find it very difficult – given his credit file and banking history – to open up an account elsewhere. They recommended that Monzo pay Mr B £400 in compensation too. Monzo didn't agree with our investigator's recommendations. So I was asked to consider this complaint.

I contacted both parties about this complaint and, having done so, I said that I didn't think Monzo had acted unfairly when it decided to close Mr B's account. I told both parties that I would issue a decision with reasons and that's what I'm doing now.

Mr B disagreed with what I'd said and sent me additional information about the impact of the closure. I've taken this additional information, as well as Mr B's comments, into account, along with all the other available evidence and arguments, before issuing this decision. He's recently been able to open a basic account with another business.

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.

Monzo gave Mr B two months' notice of its intention to close his account. The terms and conditions of Mr B's account say that this is something Monzo is entitled to do. The term is a standard one, used throughout the industry. That doesn't mean we can't look into Mr B's complaint that his account was closed unfairly. We can and do look into complaints like this.

Our investigator thought that Monzo had closed Mr B's account because of another complaint we'd looked at. They didn't think this was fair. Having looked at all the evidence, I don't agree that Monzo closed Mr B's account because of what we'd said about another complaint. I'll explain why and what this means.

I can see that Mr B has had problems with gambling, and that the gambling block Monzo offers has at times been of real help to him. I can, however, also see that Monzo had genuine concerns that the block was no longer helping Mr B, and was not working as intended. In addition, I can see that Mr B had very significant amounts of contact with Monzo's customer services team and that not all of those conversations went well. I can see that Monzo decided that its relationship with Mr B had become unsustainable as a result. Monzo did so having taken into account the additional support Mr B might be expected to need given his vulnerabilities. I'm satisfied, based on the evidence that Monzo took into account, that its decision to terminate its relationship with Mr B wasn't unfair or unreasonable. Monzo made a large number of significant adjustments in an effort to support Mr B and his needs. The relationship, despite these adjustments, became unsustainable.

Mr B has recently opened a basic account with another business, but this wasn't straightforward. That's in part because of his credit file and banking history, including a CIFAS marker against his name. Mr B has been taking steps to clean up his credit file, and to remove some of the adverse information from it. I took the difficulties Mr B might have opening an account elsewhere into account when deciding whether or not I should tell Monzo to keep his account open. One of the reasons, but not the only reason, why Mr B has problems with his credit file is his problems with gambling. In this particular case, I don't think it's fair to say that Monzo should have to keep Mr B's account open given that Mr B has had problems with gambling for a number of years. I know my decision will be a huge disappointment to Mr B, who has had been hit extremely hard by recent events.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 14 October 2020.

Nicolas Atkinson
Ombudsman