

The complaint

Mrs R is unhappy with the service she's received from Monzo Bank Ltd surrounding a request she made to close her account.

What happened

Mrs R asked Monzo to close her Monzo account because she had never wanted it and had never used it. Monzo didn't close her account as she requested, despite Mrs R following all the steps asked of her by Monzo to request the account closure. Mrs R wasn't happy about this, so she raised a complaint.

Monzo didn't respond to Mrs R's complaint within the statutory timeframe for them to do so, and so Mrs R referred her complaint to this service. One of our investigators looked at this complaint and felt Monzo had provided poor service to Mrs R by not closing her account as she'd asked. Because of this, our investigator said Monzo should close Mrs R's account, remove any negative information from her credit file, and make a payment of £150 to Mrs R as compensation for any trouble and upset she'd incurred.

Mrs R didn't agree with the view of our investigator and felt Monzo should be instructed to remove all information relating to the account from her credit file and delete all information they hold on her. So, the matter was escalated to an ombudsman for a final 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.

Mrs R has explained that she never intended to apply for a Monzo account and that she'd only wanted to make a payment to a friend who owned a Monzo account. As such, Mrs R is confused as to how a Monzo account was applied for and opened in her name.

However, I'm not convinced that it's as easy or possible to unintentionally or unknowingly open a Monzo account as Mrs R suggests here. Indeed, a Monzo account can only be applied for online or after downloading the Monzo app. And to open an account online, for instance, an applicant has to click on a box titled 'Open a Monzo Bank account', which then takes the applicant to a screen titled 'Start you application'. And an applicant also has to provide Monzo with personal identity documents such as a passport or driver's license.

As such, I find it unlikely that Mrs R would have been unaware that she was applying for a Monzo account. And if Mrs R wasn't aware that she was applying for a Monzo account, then I feel that she reasonably should have been aware – given the steps she needed to go through to apply for an account with Monzo, including those described above.

What is clear is that Mrs R has never used the Monzo account and that she asked Monzo to close it. And it's also apparent that Monzo didn't close Mrs R's account when she asked them, despite Mrs R following the steps Monzo require of her to do so. And I feel that Mrs R has received poor service from Monzo in this regard.

As such, I feel that a fair outcome here is that Monzo should close Mrs R's account as soon as possible – as per her request for Monzo to do so. And that Monzo should remove any adverse credit file reporting that they may be making regarding Mrs R's account and make a compensation payment of £150 to Mrs R for the trouble and upset she's incurred here.

In arriving at this compensation amount I've considered how Monzo's lack of reasonable engagement with Mrs R following her request to close her account was frustrating and troubling for her. And I've also considered the general framework this service uses when assessing compensation awards – details of which are on this service's website.

But I don't feel that it would be fair for me to instruct Monzo to remove all credit file reporting relating to Mrs R's account – as if the account had never been applied for – as Mrs R would like here. Or to instruct Monzo to delete all information provided by Mrs R in her application that Monzo might have a legitimate reason to retain after the account closure as per Monzo's information retention policies. And this is because I feel it's fair that Monzo should consider Mrs R's account application to have been valid – for the reasons I've already explained.

In short, to reiterate, this is because I don't feel it's likely that Mrs R would have been unaware that she was applying for a Monzo account when she did. And because if Mrs R was unaware that she was applying for a Monzo account, I feel that she reasonably should have been aware, given the information presented to her and the steps she needed to go through.

Putting things right

Monzo must close Mrs R's account as soon as possible – and no later than 30 days from the date of this letter. Monzo must also remove any adverse credit file reporting they might be making regarding Mrs R's account. Finally, Monzo must make a payment of £150 to Mrs R.

My final decision

My final decision is that I uphold this complaint against Monzo Bank Ltd on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 9 April 2024.

Paul Cooper
Ombudsman