

## **The complaint**

Ms G complains Monzo Bank Ltd closed her account without telling her and then defaulted her as she was approximately £30 overdrawn. Ms G says she wasn't aware of this, and when she tried to pay Monzo Bank Ltd made it almost impossible for her to do so.

## **What happened**

Ms G opened a Monzo account in early 2019. She says she decided that a Monzo account wasn't for her, so she stopped using her account sometime in late 2019. Ms G says she deleted the app at this point and her phone was subsequently stolen. Ms G says she believed her account had around £1 left in it.

Ms G says she subsequently discovered that Monzo had recorded adverse information on her credit file, saying that she had an outstanding overdraft of £30. She says Monzo closed her account too.

Ms G says she loaded the Monzo app back onto her new mobile phone, but as she didn't have her details any more she wasn't able to log in. Ms G says that when she tried calling Monzo they'd ask for her account details, so she got nowhere when she rang. Ms G says she tried using the Monzo chat service and that by the time an agent replied the selfie she'd sent would be out of date. Meaning the agents kept on asking for a selfie again and again.

Ms G says that she was eventually sent the details of a suspense account into which she was told she could make a payment to clear her outstanding overdraft. Ms G complained to Monzo about how long this had all taken, about Monzo closing her account without giving her any notice and not telling her she was overdrawn. And she also asked Monzo to remove the "derogatory remarks" on her credit file if she agreed to repay the overdraft. Monzo said it wouldn't do that. Ms G went ahead and paid off her overdraft and complained.

Monzo took time to deal with Ms G's complaint. In the meantime, Ms G complained to us.

One of our investigators looked into Ms G's complaint. In the course of doing so Monzo offered Ms G £15 compensation for the fact that she'd been repeatedly asked for selfies – when at the time that wasn't necessary – and a further £30 for the delays in responding to her complaint. Our investigator didn't think that Monzo needed to do more as they didn't think Monzo had acted unfairly as it had let Ms G know that her account was overdrawn prior to it being closed. Ms G didn't agree with our investigator, and asked for her complaint to be referred to an ombudsman. So, her complaint was passed to me.

## **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.

Last month I issued a provisional decision saying that I was satisfied that Ms G didn't contact Monzo between November 2019 and June 2022. I also said that I was satisfied that Ms G was aware, or should reasonably have been aware, of the fact that her account had a small

outstanding overdraft when she was in contact with Monzo in November 2022. In addition, I said that I was satisfied that Ms G paid off her outstanding overdraft in April 2023 but that the only reason why she didn't settle her outstanding overdraft in June 2022 was down to Monzo insisting on following processes that, at the time, it didn't have to follow. Finally, I said that I was satisfied that Monzo had defaulted Ms G's account in March 2020 – which I thought was fair – but that it wouldn't be fair to say Ms G hadn't settled until April 2023 given how difficult Monzo had made it for her to pay.

Given my provisional decision, I said I was minded to require Monzo to pay £200 in compensation less any compensation amounts, if any, Monzo had paid to date. In addition, I said that Monzo should make arrangements to ensure her credit file shows the outstanding balance on her account was settled in June 2022 rather than April 2023.

I invited both parties to comment on my provisional decision. Ms G accepted and said Monzo would need her new account details to pay the compensation into. Monzo didn't reply.

Having reconsidered everything, and given that neither side has disagreed with what I've said, I remain of the view that this complaint should be upheld.

### **Putting things right**

I also remain of the view that Monzo should pay Ms G £200 in compensation less any compensation amounts, if any, Monzo had paid to date. In addition, I remain of the view that Monzo should make arrangements to ensure Ms G's credit file shows the outstanding balance on her account was settled in June 2022 rather than April 2023.

### **My final decision**

My final decision is that I'm upholding this complaint and require Monzo Bank Ltd to make arrangements to ensure Ms G's credit file shows the outstanding balance on her account was settled in June 2022 rather than April 2023. In addition, I also require Monzo Bank Ltd to pay Ms G £200 in compensation less any compensation amounts, if any, Monzo Bank Ltd has paid to date for the inconvenience she's been caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 20 March 2024.

Nicolas Atkinson  
**Ombudsman**