

The complaint

Mr D is unhappy about Monzo Bank Ltd. He said it failed to provide correct details about a direct debit set up wrongly on his bank account.

Mr D asked Monzo to provide written details so he could show his local council what had happened to his payment. Monzo said it couldn't provide this for him. Mr D said this led to his local council taking further action against him which cost him more money.

What happened

Mr D set up a direct debit to pay his local council. But a short time later cancelled it when he didn't recognise the name of the payee. Mr D contacted Monzo about this and as the direct debit had been cancelled Monzo said it couldn't see it on the system. It asked Mr D to send it a screenshot – which he did. Further discussion took place and Mr D asked Monzo for a letter to provide to the council to show what had happened. The Monzo adviser confirmed this couldn't be done and provided another contact at Monzo if Mr D wanted further answers and help. Monzo said it had made no errors.

Mr D didn't accept this and brought his complaint to this service.

Our investigator didn't uphold the complaint. She said she couldn't find that Monzo had made an error and so it wasn't responsible for the extra costs Mr D incurred. She said the direct debit was only cancelled after Mr D requested it. Our investigator said any dispute about the name on the direct debit was for Mr D to take up with the council. She also provided Mr D with details of a different ombudsman scheme he could approach if he wished to complain about the council.

Mr D didn't accept this and asked for his complaint to be passed 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.

Mr D contended at this point we had taken no input from him on his complaint. He accepted Monzo acted in accordance with his request to cancel the direct debit. But Mr D said his real concern was the conflicting information provided and the delays in issuing a clarification. Mr D said Monzo's dashboard indicated the direct debit was created 4 July 2024. But he said Monzo informed him it had been cancelled 3 July 2024. Mr D said it was because of this discrepancy his council rejected his evidence and escalated his outstanding bills to a debt collection agency. Mr D said Monzo's refusal to provide a letter to clarify this issue resulted in additional charges and transfer fees. Mr D went on to mention several other points that weren't raised by him as part of his initial complaint. These included Monzo refusing to raise a complaint for him, the unprofessional and dismissive tone of the staff adviser, and system glitches and errors which he now said further complicated the situation.

As these were not points raised at the start of the complaint when Mr D contacted this service, I can't consider these at final decision as it's not clear if Mr D put these extra points to Monzo.

Mr D came back to our investigator who asked if when he was advised the payment hadn't gone through if he made the payment in full or if it was further escalated at this stage. Though she accepted there may have been discrepancies in dates from Monzo she still felt Mr D should be able to show he had acted to mitigate any losses.

Mr D said he discussed the screenshot with Monzo on 10 September. He said it was the council who asked for a letter from Monzo to explain the direct debit issue. He said the council placed a two week hold on his council account to await this information.

Mr D said Monzo refused to give him a letter or address the "discrepancies" he referred to. Mr D said this meant the hold on his council account expired and the additional charges were applied. He said if the charges had been added to his council bill between 3 July and 10 September it would have indicated he hadn't been proactive in trying to resolve the matter.

Our investigator maintained the council would have put Mr D's account into arrears when he first missed a payment regardless of the reason. She maintained Mr D had a screenshot himself and Monzo had been clear when asked that it wouldn't provide a letter.

Mr D said after lengthy discussions with the council he had reached an agreement in June 2024. He said this agreement meant he needed to set up a direct debit for his council tax to prevent further escalation to debt collection agencies. Mr D was adamant it was Monzo's mismanagement that led to the additional penalties and debt collection actions.

Now that the matter was passed on for an ombudsman final decision Mr D followed up with further correspondence referring to the function of this service. He referred to the complaint handling rules (DISP) around investigation and transparency. Mr D referred to Financial Conduct Authority (FCA) principles around treating customers fairly, conducting business with integrity and relations with regulators. He also referred to the Consumer Credit Sourcebook (CONC) and direct debit administration.

Monzo said it had given Mr D a fair level of service, but as he was unhappy it did apologise.

In its final response letter it said Mr D cancelled the direct debit 3 July 2024. It accepted what Mr D said around believing the payment to be fraudulent as he didn't recognise the payee name. Later it was accepted that the payee was in fact the local council. Mr D raised queries with Monzo around the payment and it said it did everything it could to answer his points. Despite Mr D complaining and letting Monzo know how unhappy he was it said there was nothing more it could provide.

Monzo confirmed it wasn't its responsibility as it hadn't set up the direct debit. It confirmed it didn't have the capability to do this for a customer. It said if the council use the wrong name this wasn't something within Monzo's control. It said Mr D would need to take this matter up with the council.

Monzo said it had made no errors.

When Monzo provided its details to this service it said Mr D contacted it on 10 September 2024 to query the direct debit set up on his account. Monzo said Mr D confirmed the direct debit had been set up to pay his council tax bill but when he had checked his account 4 July

2024, he didn't recognise the name on the direct debit as it was referring to a leisure centre rather than the council.

Mr D told Monzo that as he didn't recognise it – he cancelled it. But this is where the problems really arose. During 10 September call Mr D told Monzo the council was now charging extra fees and he had suffered bailiff fines for missed payment. Monzo said it had no record showing a leisure centre and it was likely the payment was for the council. The Monzo adviser couldn't see a payment for the leisure centre, so wasn't able to give any further answers. But what the adviser did do was ask Mr D to send in a screenshot of what he could see in his app version showing the direct debit Monzo couldn't see as it had been cancelled.

Monzo said Mr D incorrectly cancelled the direct debit but later realised this had been his council tax payment. Monzo's adviser explained why it couldn't see all the information and how the system worked. Monzo confirmed to this service the actual relevant dates were Mr D set up the direct debit on 3 July 2024 and cancelled it on 5 July 2024.

Monzo said Mr D made further contact 19 September 2024. In this call it said he asked for a letter from Monzo explaining the payment was cancelled as it looked like fraud as the name linked to the direct debit wasn't the council. Monzo said its adviser confirmed it couldn't provide a letter or email and Mr D would need to contact Monzo's help function if he required extra support. The adviser gave Mr D the email address he needed to contact. Monzo said there was no evidence Mr D did contact the help function and no letters were issued.

Monzo again confirmed the direct debits are set up by the merchant and not by Monzo. It said it can't control any of the details that show on the account. Monzo confirmed Mr D cancelled the direct debit without querying it with Monzo. Monzo said if errors had been made by others involved in the process Mr D would have been covered under the Direct Debit Guarantee Scheme.

Monzo said it appeared Mr D may have already missed a number of payments by the time he reached out for help. It said the extra costs were linked to the missed payments and this wasn't anything to do with Monzo or its actions. It concluded Mr D could have provided the screenshot evidence of the direct debit and the name attached to it to the council to explain the issues it caused for him.

The issue Mr D wishes to focus on isn't so much the cancellation of the direct debit which he accepts he carried out, but the aftermath and the lack of information given to him by Monzo to help with his representations to the council.

Mr D has provided no evidence from the council to show it was the actions of Monzo that caused him extra costs. Mr D has pointed out that there was an issue with the council and gives the impression setting up the direct debit was a requirement to stop the council taking further action against him. This is similar to the point Monzo make above about Mr D having already missed a number of payments to the council before he set up the direct debit.

Despite Mr D referring to numerous other factors it is important I focus on the facts of this complaint. Mr D set up the direct debit and then cancelled it. There's nothing to suggest Monzo delayed telling Mr D it couldn't offer written details when he asked it. Monzo told him it couldn't provide a letter straight away and offered Mr D another help option. Monzo said there's no record Mr D contacted this help option and Mr D hasn't mentioned it either.

I accept there appear to have been some discrepancies around dates in some of the discussion on Monzo's part. But I've nothing to connect that to Mr D facing further costs from his local council. I think Monzo acted fairly and reasonably in the way it handled the calls and

requests from Mr D. Mr D didn't check with Monzo or the council before cancelling his newly set up direct debit. So, it follows that Monzo wasn't to blame for his further costs.

My final decision

I don't uphold this complaint.

I make no award against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 19 December 2024.

John Quinlan
Ombudsman