

Monzo Bank Limited

From: Colin Garland
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Monzo's breach of the Retail Banking Market Investigation Order 2017 in relation to Transaction Histories

I am writing to you on behalf of the CMA concerning Monzo's breach of the [Retail Banking Market Investigation Order 2017](#). The CMA understands that this breach has affected 143,437 former customers of Monzo, who should have received a Transaction History when their personal current account (PCA) was closed but did not. This breach lasted from 1 March 2020 to 31 May 2021.

The breach

Monzo has breached Article 20.6.2 of the Order, which requires all Transaction Histories to be sent within 40 days of the PCA or business current account (BCA) being closed (unless an exception applies). Where a customer closed a PCA through Monzo's banking app, no Transaction History was sent to the former customer. Therefore, the 40 day requirement has been missed for all of these PCAs.

Monzo has also breached Article 20.6.1 of the Order, which requires at least 95% of Transaction Histories to be provided to former customers within 10 working days of closing the account. Monzo achieved this for 0% of account closures within this period.

Monzo notified the CMA of this breach on 1 February 2021 as part of its annual compliance report for 2020.

The CMA's concerns

The requirement for current account providers to provide transaction history data to customers who had their accounts closed is an important element of our reforms introduced following the [Market Investigation](#). This measure, in combination with other parts of our reforms, were designed to make switching between PCAs easier for consumers. We found that some consumers were concerned that, by moving to a

new current account provider they would lose access to their banking history, which is often required by lenders when offering credit. The Order requires banks and building societies to provide each customer whose current account has been closed with a full Transaction History, so that consumers should not be worried that switching will make access to credit difficult. Failure to comply with the Order could make it difficult for former customers to obtain credit.

This breach of the Order represents a substantial failure by Monzo to ensure that it complies with all of its regulatory obligations. The CMA is concerned that Monzo failed to implement an effective process to ensure that customers that closed their accounts would be provided with their Transaction History.

Monzo has taken action to put things right

I am pleased that Monzo has now taken steps to end the breach, to prevent a recurrence, and to put things right for affected former customers. Monzo has:

- ended the breach, by ensuring that from 31 May 2021 customers who close their Monzo PCA will receive a Transaction History consistent with the Order
- put in place internal measures to ensure compliance, including a three line of defence model. The first line of defence is provided by business owners; the second line of defence is Monzo's risk and compliance function and the third line of defence will be Monzo's internal audit function
- committed to write to all affected former customers to apologise for the error and to explain the process of receiving a copy of their Transaction History via email or post based on each customer's preference.

CMA assessment and next steps

Given the action that has been taken and is being taken by Monzo, the CMA does not consider it appropriate to take further formal enforcement action in relation to this breach at present. The CMA will monitor the resolution of this breach and Monzo's future compliance closely.

Yours sincerely

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