

The complaint

Miss H has complained that Monzo Bank Ltd won't refund her for a failed ATM cash withdrawal.

What happened

Whilst on holiday in Turkey, Miss H tried to withdraw £200 cash from an ATM but the machine didn't dispense the cash. Miss H decided to use another machine and withdrew £168.00 instead. The next day, she received a text message from Monzo Bank, telling her that the £200 had debited her account.

She contacted Monzo Bank immediately to report the error.

She explained there was a queue in front of her at the ATM but that two or three people had left without any money. She said the customer in front spoke to her before leaving, but she didn't understand. She suspected that there could be a problem with the ATM, but she didn't notice anything unusual with it and used it anyway.

She said after selecting the 'cash' option, the machine made a clicking noise and then dispensed her card. But the flap, where the cash is dispensed, didn't open. She turned to the person behind and told them there was no cash. She went to use another ATM.

Monzo Bank raised a chargeback with the ATM provider and gave her a temporary refund. However, it subsequently informed her it would be re-debiting her account, after the ATM provider sent evidence showing that the machine had dispensed the cash.

Miss H wasn't happy with this outcome, so she brought her complaint to this service.

An investigator looked into her complaint and decided to uphold it. He concluded that Monzo Bank hadn't done enough to show there were no mechanical faults or fraud devices attached to the machine.

Monzo Bank disagreed with the investigator's view.

It said the journal roll clearly indicates that the ATM was in working order. It shows that the previous and subsequent transactions were completed as expected and that no errors took place. It said if any of the transactions weren't completed, due to a fault on the machine, then the journal roll would have recorded the error. There were no errors recorded and the annotations on the journal roll state that the ATM was in balance. The annotations prove that an employee had checked the ATM manually.

However, Monzo Bank accepted it was possible that a cash trap had been fitted to the machine but said it wasn't responsible for the loss of money, if that had happened.

Monzo Bank asked for an ombudsman's 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.

It seems to me that there are three possible scenarios to explain what happened:

- Miss H received the cash
- a 'cash trap' or fraud device was fitted to the ATM or there was a mechanical fault, or
- Miss H didn't wait long enough at the ATM, the cash was dispensed after she had left and a third party picked up the money.

I will dispense quickly with the third option. There's no evidence this is what happened and according to Miss H she waited until after her card had been dispensed but, despite the sounds coming from the machine, the cash wasn't dispensed. So I don't think she left the ATM prematurely.

Miss H said she didn't receive the cash, so she went to another machine and withdrew a lesser amount. In fact, she had made two prior attempts at the second ATM to withdraw more than £200, but the transactions were declined because they exceeded the daily limit. The third attempt for £168 was successful.

The journal roll from the first ATM shows that the £200 was dispensed. In fact, it tells us that the customer before her made a successful cash withdrawal. And it shows the denominations. The customer who followed her made a balance inquiry only.

I can also see Miss H's transaction on the journal roll. It shows she refused a transaction fee. And it shows that the machine dispensed 10 x 20 Turkish Lira notes.

The ATM provider has made a handwritten note on the roll that there was no 'excessive amount' in the ATM and it balanced.

Monzo Bank says this evidence shows the machine was working and that the cash was dispensed. It said if there had been any error with machine then this would have been recorded on the journal roll.

However, there are also gaps in the bank's evidence and I have to weigh the totality of its evidence against what Miss H told us, and her subsequent actions.

The investigator asked Monzo Bank for the purge box report (where unused or damaged notes are returned); details of whether there were any reported errors with the ATM or other claims raised that day, and any other relevant information to demonstrate whether there was a technical fault or any other deficiency.

Monzo Bank advised the investigator to contact the ATM provider directly. I'm afraid I do expect the bank to obtain this evidence or make reasonable endeavours to get it. But it didn't and so the evidence is incomplete.

I understand that any cash in the purge box would have been included in the balance. The ATM provider said the machine balanced that day. So arguably, the purge box report wouldn't add anything to what the ATM provider told Monzo Bank.

However, I do expect the bank to raise further questions of the ATM provider about the machine, especially as Miss H said other customers seemed to be experiencing problems with the machine. Also, Miss H's behaviour was consistent with what she told the bank. By this, I mean she went immediately to another ATM to withdraw cash. And, as it seems she

would have exceeded the daily limit with the second cash withdrawal, then I think it's more likely that she didn't receive the cash at the first ATM. So Miss H's version of events should have prompted more questions and I would have expected to see a log of any reported faults or complaints about the ATM.

So although it is good evidence, the journal roll only tells part of the story. It can't tell us whether a device was fitted to the ATM or whether there was a mechanical fault. I appreciate Monzo Bank says it's difficult to obtain the additional evidence where the ATM is located abroad. However, it is Miss H's bank and has a responsibility to investigate her claim as fully as it can.

Based on the available evidence, I think it's more likely than not, that Miss H didn't receive the cash.

Monzo Bank concedes that a cash trap might have been attached to the ATM, but says it isn't responsible for Miss H's loss. I disagree. As a customer, she has used her card to withdraw cash, but she didn't receive the cash. This would be a breach of the terms and conditions of her account and of any expectations a customer would have of their bank.

Putting things right

I understand that Monzo Bank hasn't re-debited Miss H's account. So in these circumstances, I consider it fair and reasonable that it should take no further action and leave the £200 in her account.

My final decision

My final decision is that I am upholding this complaint and I am asking Monzo Bank Ltd to take no further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 24 June 2020.

Razia Karim
Ombudsman