DRN-2361685

The complaint

Mr C's unhappy Monzo Bank Ltd incorrectly told him it could raise a chargeback dispute regarding a faster payment he'd instructed.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- Monzo incorrectly told Mr C it could raise a chargeback dispute for him after 14 days. But it was never able to do so, it simply isn't a scheme available when funds are sent as a faster payment.
- Mr C authorised the faster payment for the purchase of a vehicle, and the funds were correctly sent to the beneficiary he intended. After the sale Mr C wasn't happy with the quality of the vehicle, but that doesn't give Monzo the ability to retrieve his funds, even if the recipient was also its customer, this was a dispute between Mr C and the seller.
- I understand Mr C's frustration with Monzo leading him to believe he had a good case for a chargeback, but I've not seen it ever guaranteed him it could retrieve his funds. The terms of Mr C's account say once consent is given for a payment it can't be cancelled.
- I don't think there was any guarantee Mr C would have retrieved his funds by other means had Monzo told him a chargeback wasn't possible straightaway. Mr C tried to contact the seller before he contacted Monzo but received no response. And he continued his attempts throughout the 14 days Monzo told him to wait before it could raise a chargeback, again with no success.
- Monzo paid £50 compensation to Mr C by way of apology for the incorrect information it gave him. Monzo have since increased its offer by £100 to a total of £150. Having considered everything carefully I think £150 is a fair amount in circumstances of this complaint.
- I'm aware this isn't the outcome Mr C was looking for. But I don't consider it fair and reasonable to ask Monzo to refund him the amount he paid for the vehicle, or to cover any of the costs that followed as a result of it not being of the standard he expected.

For these reasons, I uphold this complaint.

Putting things right

To put things right Monzo Bank Ltd should pay Mr C a further £100 for the trouble and upset caused by the mistake.

My final decision

Monzo Bank Ltd has already paid Mr C £50 and it has already made an offer to pay a further £100 to settle the complaint. I think this offer is fair in all the circumstances.

So, my final decision is that this complaint should be upheld and Monzo Bank Ltd should pay Mr C a further £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 April 2021.

Sean Pyke-Milne
Ombudsman