

## **The complaint**

Miss R complains Monzo Bank Ltd (Monzo) didn't refund a disputed transaction made using her debit card that she says she didn't make or otherwise authorise.

## **What happened**

The detailed background to this complaint is well known to both parties, so I'll only provide a brief summary of the key events here. On 28 August 2020 Miss R's debit card details were used to make an online payment for £664.99.

A few days later, Miss R called Monzo to report that on 28 August 2020 she'd received a phone call from someone claiming to be from Monzo. She said the caller told her there had been some fraudulent activity and asked her to verify a payment made on the account. Miss R said while on the phone she could see a payment for £664.99. She says she told the caller she didn't recognise this payment. The caller then asked her to share some details but she refused to do so, particularly as she'd been a victim of fraud in the past. Monzo explained that they hadn't made this call to her and it was likely a scam.

Miss R asked Monzo to provide a refund as she hadn't made the payment. Monzo declined Miss R's claim. They weren't satisfied the payment was fraudulent because it had been authorised using a code which was sent by SMS to Miss R's phone, which was inputted onto the merchant's website to complete the payment.

Miss R got in touch with the merchant to see if they could provide her with any information about the transaction, but unfortunately as she didn't have the order number, the merchant wasn't able to assist further.

Miss R didn't agree with Monzo's decision and so she raised a complaint. Monzo maintained their position to hold Miss R liable for the payment. Unhappy with this, Miss R brought her complaint to this service. In doing so, she said the caller asked her to share her long card number, CVV number and postal address but that she didn't share this information with them. She said she received the SMS code but didn't share it, and that her phone was in her possession at the time and is protected by Facial Recognition ID.

The investigator looking into the complaint again asked Miss R to confirm she hadn't shared her security details. Miss R was adamant she hadn't. Taking into account what Miss R had said and the technical evidence provided by Monzo, the investigator didn't think the complaint should be upheld. In summary he said the payment was completed by entering the SMS code Miss R received on the phone and so it's more likely than not Miss R authorised it.

Miss R didn't agree with the investigator's view and asked for an ombudsman's decision. She insists that she didn't authorise the payment and hadn't shared any security details.

## **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'm not upholding it and I'll explain why. I've seen the technical records which show the payment on 28 August 2020 was made online using Miss R's debit card details. So I'm satisfied that the payment was correctly authenticated.

But the regulations say that is not, on its own, enough for Monzo to hold Miss R liable for the payment. The regulations also say Miss R needed to have consented to the payment. In general terms, the bank is usually liable for unauthorised payments and the consumer will usually be liable for authorised payments.

Miss R says she didn't make the payment or share security details with anybody. In cases like this where there is a dispute over what has happened, I have to consider all the evidence and make my decision on the balance of probability as to what I think is most likely to have happened.

I've carefully thought about whether the evidence suggests it's more likely than not that Miss R consented to the transaction being made. And from what I've seen I don't think it's unreasonable for Monzo to hold Miss R liable for the payment.

The payment in question was completed by a '3D secure code'. This is the six-digit code sent to Miss R's registered mobile number which was then entered onto the merchant's website to complete the payment.

Miss R shared a screenshot with us of the SMS code she'd received on the day of the disputed transaction. The SMS was sent on Friday 28 August 2020 at 4.48pm – so one minute before the payment was completed. The SMS sent to Miss R read: *"[ X] is the verification code for your £664.99 purchase to [merchant]. Don't share this with anyone."*

Miss R has said her mobile phone is accessible by Facial Recognition ID and that she didn't share her phone with anyone. She also said she hadn't shared her card details with anybody and that she takes extra care of leaving her things unattended because of fraud she's experienced in the past. Here the technical evidence shows the payment was completed a minute later by entering the six-digit code Miss R received on her mobile phone. It isn't possible for the payment to have been completed without that code being entered onto the merchant's website. Even if I were to consider that somebody else had fraudulently obtained Miss R's card details, this wouldn't explain how that person could know the code which was sent to her phone.

There is no other plausible explanation as to how someone other than Miss R knew the SMS code in order to complete the payment. So overall, I'm more persuaded by the technical evidence than by Miss R's testimony and I therefore don't think Monzo's decision to hold her liable is unreasonable in the circumstances.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 30 June 2021.

Richard Annandale

**Ombudsman**