

The complaint

Ms B complains that Monzo Bank Ltd didn't explain what it was doing to deal with her disputed payment.

What happened

Ms B ordered goods on 2 May 2020 and didn't receive them. She raised a dispute with Monzo. It told her it needed evidence she had contacted the merchant. Ms B raised a further dispute with the information but didn't hear from Monzo. She pursued this herself with the merchant and received a refund.

Monzo issued a final response letter accepting that it had communicated poorly with Ms B. It had raised a dispute. It had paid her £10 in compensation. When it referred the complaint to this service it said that its process had changed at that time and not all agents were familiar with it. The progress of the dispute would have been provided to Ms B on a push notification on her phone and also visible on its app.

Our investigator recommended that the complaint be upheld, and Ms B paid a further £40. He said that there had been an opportunity to tell Ms B that her dispute had been raised. And she hadn't known what was happening as she had sent in another dispute form and had pursued the merchant herself. Monzo still said that it had followed its new process but in order to resolve the dispute would pay the additional £40.

Ms B didn't agree. She said that the compensation wasn't suitable and at the lower end of what could have been offered. She had previously indicated that she would have wanted an amount in the region of £250.

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.

Ms B explains that she raised the dispute three times. On the first occasion she was told that there was insufficient evidence to show she had disputed the matter with the merchant. She submitted this dispute again on 30 June 2020. Monzo has shown that it did process a chargeback request on 1 July 2020. It's explained to this service that it would then need to wait for the merchant to respond. On 9 July 2020 having heard nothing Ms B submitted the dispute again. This was closed as a duplicate by Monzo and Ms B got in touch with the merchant about the refund. On 16 July 2020 Monzo told Ms B it had raised the dispute but that it had failed to update her about this.

I don't see that Monzo made a mistake in processing the dispute when it had the evidence it needed. But I think that its lack of clarity about the way it did so and the communication to Ms B led to her being uncertain about what was happening. And Monzo's staff told her an error had happened. I don't know if Ms B had activated relevant notifications on her phone or not. But had she been confident and clear about what Monzo was doing I don't think she'd have pursued things further with the merchant.

Putting things right

Ms B has received a refund and so isn't out of pocket. The issue is the appropriate level of compensation for the inconsistent communication and inconvenience caused. I think that the offer Monzo has now made of a total of £50 is reasonable. And I wouldn't have been minded to award anything more than this.

My final decision

My decision is that I uphold this complaint and I require Monzo Bank Ltd to pay Ms B a further £40 as it has now offered to and making total compensation of £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 27 May 2021.

Michael Crewe
Ombudsman