DRN-2728516

The complaint

Mr J's complaint about Monzo Bank Ltd (Monzo) relates to a chargeback request he made and which he feels wasn't handled properly.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. Instead I will 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.

I think it is important to clarify what a chargeback dispute actually is. It's a process by which some disputes are resolved between card issuer, in this case Monzo, and merchants under the relevant card scheme rules.

These rules are set by the card provider, whose symbol is on the card, which in this case is Mastercard. Mastercard has an agreement with banks as to how its cards are used, which covers when an attempt at a chargeback can be made, which of course if successful would result in the customer having the money they spent on the card returned. The rules are quite strict, and Monzo doesn't have the power to change them. A further important consideration is that Monzo isn't required to ask Mastercard for a transaction to be reversed and need only do so if it thinks it's likely to succeed.

So, it follows that a dispute will only be likely to succeed if there is sufficient evidence to support it. Here, Monzo were asking from more evidence, but Mr J didn't provide it.

The facts of the complaint are straightforward. Mr J has explained that he used Apple Pay linked to his Monzo account to buy an item for £4.50 but that when he later checked his bank account he saw a debit for £204.51 and thought he had been overcharged. He spoke to the merchant concerned who advised him to contact Monzo which he did on 1 December via an in-app dispute form.

Mr J complained to Monzo and on 7 December Monzo advised Mr J though live chat that a dispute could not be raised at that time as there remained outstanding some key evidence. I can see from that letter that Mr J was asked to provide;

- *Proof that you've spoken to the merchant and tried to resolve it with them, and you've been unsuccessful, and*
- *Screenshots/images that includes a clear description and cost of what you bought, and when it was expected to be provided*

Mr J was also advised to contact the merchant by email or live chat in order to create a written record of his communication and that if he hadn't heard back from the merchant within 14 days he was to open another dispute and attach his evidence of his attempts to contact the merchant. Mr J was advised that without evidence that the merchant had been given the opportunity to resolve the dispute directly with Mr J any dispute raised was likely to fail.

I have read the transcript of the live chat which shows Mr J was unhappy at being asked to go back to the merchant, and I empathise with him. I can also see that on 8 December Mr J replied to Monzo that he had emailed the merchant and was waiting for a reply. But I can also see that Monzo responded on 9 December reminding Mr J that he was to contact them again if he hadn't heard from the merchant within 14 days and on 10 December it also issued its final response letter repeating the advice given in its live chat response on 7 December.

Having looked at all the evidence provided by Monzo and Mr J there is no record that Mr J ever returned to Monzo and opened a fresh dispute as he was directed to do. So, although Mr J will probably be disappointed with my decision, I can't say Monzo has acted unfairly or unreasonably here because it clearly told Mr J what he needed to do, and he didn't do it. And, without opening a new dispute and informing Monzo that he had not received a response to his email enquiry to the merchant then I think it was reasonable for Monzo to not raise the dispute because without that information it was likely that the chargeback would have failed. And of course, it's important to remember that Monzo are not required to raise a chargeback dispute if they believe it is unlikely to be successful. And that was their view in the absence of the response from Mr J.

So, in conclusion I do not believe Monzo have acted unfairly or unreasonably here and I am not upholding the complaint.

My final decision

For the reasons set out above I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 23 June 2021.

Jonathan Willis
Ombudsman