DRN-2825415

## The complaint

Mr C complains that Monzo Bank Ltd trading as Monzo (Monzo) lost the money he transferred to his account.

## What happened

In July 2019, Mr C applied for an account with Monzo. He was placed on its waiting list. In September 2019, his account was opened by Monzo. In June 2019, he made a transfer of £195 from his other bank account to a Monzo account. In March 2020, he made two purchases for £185 from his Monzo account. This resulted in an overdraft of £185. Overdraft fees were debited to the account. In October 2020, Monzo sent a notice of default to Mr C.

Mr C complained. He said he'd paid in £195 into his Monzo account when it was opened and therefore he couldn't have been overdrawn. He showed us his bank statements which showed a payment to "Monzo" on 3 June 2019. He said Monzo must have lost the money. He had now incurred overdraft fees and adverse information had been advised to credit reference agencies. He complained to Monzo on 1 October 2020, but they didn't log or deal with his complaint.

Monzo said they didn't receive the money into Mr C's account. And the payment was made three months before his Monzo account was opened – so it may have been possible Mr C had made the payment to a different account. They suggested he follow up with his bank to find out where the payment went to. They apologised for not dealing with his complaint when he called them and offered compensation of £75 for this.

Mr C brought his complaint to this service. Our investigator said Mr C's account wasn't opened until September 2019, and the payment to Monzo was made in June 2019 – so it couldn't have been made to Mr C's Monzo account. He suggested Mr C contact his bank to trace where the payment was sent to. He said that any default information that Monzo advised to the credit reference agencies was fair and accurate – and had to remain in place.

Mr C asked that his complaint be looked at by an ombudsman.

## 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 can see that Mr C is adamant that he made the payment of £195 to his new Monzo account in June 2019 – so he says the money must have been lost or mis posted to another account by Monzo. I want to assure Mr C that I have gone into his complaint in detail - and I have seen all of Monzo's records relating to what happened. We have also asked detailed questions of Monzo about Mr C's case.

I can see that Mr C signed up to Monzo's waiting list on 14 July 2019. I've seen the documents in Monzo's records that show this. I had wondered whether Monzo had advised an account number to Mr C at that stage – but Monzo told us that they only had a record of

Mr C’s email address – nothing more. I’ve the seen that his account was then actually opened on 9 September 2019. I’ve seen the identification and address verification details submitted then by Mr C. So, for me, it’s clear that the account wasn’t opened until then.

I’ve seen Mr C’s bank account statement which show a payment of £195 to “Monzo” on 3 June 2019. But there are no account details such as sort code and account number in the description – neither would there be. So, this doesn’t prove the payment went to his Monzo account.

We asked Monzo to look again – and they told us a payment of £195 from Mr C was credited to another account (not Mr C’s account) on 3 June 2019. Mr C showed us the payment details provided by his bank – and I can see that the account number on the payment is not his Monzo account number. So, it looks like Mr C made the payment, my mistake, to another account. Neither we, not Monzo, can tell Mr C what that account was, or who it belongs to – due to privacy laws. All I can suggest is that Mr C speaks to his bank and ask his bank to approach Monzo to see if they can get the money back – as it appears it was a genuine mistake. This is standard practice across the banking industry. However, I would say that with the passage of time since June 2019, this may not produce a positive outcome – as the money may have been spent by the recipient.

It follows that Monzo weren’t at fault sending a notice of default to Mr C. It’s not clear if they’ve registered a default on Mr C’s credit file yet. But - they have an obligation to report accurate information to credit reference agencies. The only way this can be changed is if they’ve made a mistake – and I don’t think they have in this case.

I can see that Monzo offered Mr C compensation of £75 for not dealing with his complaint effectively – and if he wishes to accept this, he should get in touch with Monzo to advise where it should be paid.

So – and I can appreciate that given Mr C’s strength of feeling – I won’t be asking Monzo to do anymore here.

**My final decision**

I do not uphold this complaint.

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

Martin Lord
**Ombudsman**