The complaint

Mr A complains that Monzo Bank Ltd won't refund disputed transactions he says he didn't make or authorise.

What happened

Mr A had an account with Monzo.

Between 12 September 2019 and 19 November 2019, a series of transactions were made from Mr A's account to a ride hailing taxi app, which he says he didn't make or authorise. The total value of those payments was just over £1,500.

Mr A say he first noticed the suspicious transactions in December 2019, shortly before Monzo closed his account. He says he's never lost his bank card, hadn't given his bank card to anyone else to use and hadn't lost his mobile phone. He thinks someone else had gotten hold of his card details and paid for numerous taxi fares. So, he reported the fraud to Monzo and asked them to investigate.

Monzo looked into the transactions and said it thought Mr A authorised them. So, it didn't refund him. In summary, Monzo said:

- Mr A took too long to notify them about the transactions which suggests he made them. The transactions had been made over a number of months, so would have been apparent to Mr A when he checked his account, yet Mr A didn't dispute the transactions with the bank at the time

- Mr A had contacted the bank on 8 October 2019 to dispute several the transactions which had been made between 12 September 2019 and 7 October 2019, and whilst speaking to him, Mr A had remembered he'd given his card details to his friend to use for the taxi service. So, he'd authorised them

- The payments were authenticated using Mr A's card number and CVV

Mr A disagreed with Monzo's decision. So, he brought his complaint to this service where one of our investigators looked into the matter.
In summary the investigator said that:

- Mr A hadn't lost his bank card or mobile phone and was still in possession of both when he reported the fraud to Monzo
- Monzo's technical evidence showed that Mr A's bank card number, expiry date and CVV were needed to authenticate the transactions
- The disputed transactions were carried out over a period of three months, which is unusual for an unknown third party
- Mr A confirmed with Monzo on 8 October 2019 that he'd authorised the disputed transactions between 12 September 2019 and 7 October 2019. And had simply

forgotten he'd given his card details to his friend to use in the taxi app

- Mr A told Monzo that he had an account with the taxi service but didn't use it much. However, when he brought his complaint to us, he said he didn't have an account
- Several of the payments to the taxi service were declined, and on each occasion Mr A transferred money into his account so that the payment could be processed which suggested he was aware of the transactions
- It wasn't clear why a fraudster who came into possession of Mr A's account details would choose to just set up an account with the taxi service. And not use their access to Mr A's account for other fraudulent transactions
- Monzo provided evidence showing regular log ins to Mr A's online banking app throughout the period of the disputed activity. The investigator thought it was likely that Mr A would have seen the transactions on his account. And if he had done so, he would've told Monzo about them much sooner than he did if they'd been unauthorised
- Monzo sent notifications to Mr A's mobile phone after each transaction so it's likely he would have been aware of them

Overall, the investigator concluded that it was more likely than not that Mr A had authorised these transactions.

Mr A disagreed with the investigator's opinion. He said it wasn't him who had contacted Monzo on 8 October 2019 about the transactions. And he hadn't noticed the transactions earlier as it wasn't his main account.

As no agreement could be reached the matter has come to me to decide.

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.

The investigator wrote a detailed view that sets out the full facts, the disputed transactions, the relevant regulations and the evidence. Both Mr A and Monzo have read the investigator's view. So, I won't repeat every detail here, only those which form the basis of my decision.

However, I can assure Mr A that I've read the file, including his comments and evidence. The basic position is that Monzo can hold Mr A liable for the disputed transactions if the evidence suggests it's more likely than not that Mr A made them or authorised them. The relevant regulations, to this effect, are the Payment Services Regulations 2017 (the PSRs 2017). The PSR's also say that someone acting as an agent on behalf of Mr A can be treated as acting with apparent authority when making transactions on his account. And that the person to whom the card has been issued must notify the firm which provided the card if they become aware of its unauthorised use. This must be without undue delay.

For each transaction Monzo has been able to provide evidence to show the payments were appropriately authenticated using Mr A's bank card number, and CVV. But that's not enough to hold Mr A liable. I also need to consider whether the evidence suggests he consented to the transactions. or whether he is the victim of fraud as he's alleged.

Having looked at all the evidence and considered Mr A's explanation carefully I'm afraid I'm not persuaded by what Mr A has said. I can't say for sure who was making the payments to the taxi service. But on balance I've ruled out that a third-party fraudster was responsible. I've considered what the PSRs say about apparent authority too and I'm satisfied that Mr A did consent to the transactions he is disputing. So, I don't think it would be fair or reasonable to say Monzo needs to refund him. I say this for the following reasons:

- Mr A has confirmed he hadn't lost his bank card or mobile phone and was still in possession of both when he reported the fraud to Monzo. So, there's no plausible explanation for how an unknown third party was able to obtain Mr A's bank card details. And gain access to his mobile phone.
- Monzo's technical evidence showed that Mr A's bank card number, expiry date and CVV were used to authenticate the transactions.
- The payments were made over a period of three months and were for a relatively high value – just over £1,500. The volume of the transactions was quite considerable. I can see that Mr A was accessing his Monzo account online throughout the period of the transactions, so whilst I accept what Mr A's said about not checking his account closely as this wasn't his main account, I think it's likely he would've noticed that his balance was reducing, and if he hadn't authorised the transactions to have questioned them with the bank much sooner than he did. But he didn't do so until nearly a month after the last disputed transaction was made.
- I've also kept in mind that between 7 and 19 November 2019 several payments that were made to the taxi app were declined due to there being insufficient funds in Mr A's account. And that immediately following each declined payment money was transferred into his account so that the payment could be processed – this suggests to me that Mr A *was a*ware of his account activity. *And* the transactions. If he hadn't consented to them, I would've expected him to contact the bank at the time. But he didn't do so. Mr A also hasn't disputed the transfers which were made into his account so that the payments could be made. So, in the absence of any evidence to the contrary, I'm satisfied Mr A was the person making the transfers into his account.
- The disputed transactions were carried out over a period of three months, which is unusual for an unknown third party. No other fraudulent transactions were made over this period. If, as Mr A has suggested, a fraudster was using his bank details, I would expect a fraudster to take the opportunity to at the very least use Mr A's bank card details to make further fraudulent transactions – but this didn't happen. The activity was confined to the ride hailing taxi service.
- I've looked at screen shots of Mr A's chat history with Monzo. Of significance, on 8 October 2020, I can see Mr A contacted the bank to dispute a number of transactions in September and October 2020. During the chat he confirmed that he'd authorised the disputed transactions between 12 September 2019 and 7 October 2019. And had simply *forgotten* he'd given his card details to his friend. So, I'm satisfied that the transactions made between 12 September and 8 October 2019 were done with Mr A's consent. Based on what he told Monzo he'd given his friend authority to use his bank card.
- I know Mr A has told the investigator that it wasn't him who'd contacted Monzo on 8 October 2020. But I think it was. I say this because Mr A hasn't provided any explanation for how an unknown third party was able to gain access to his online Monzo account, which was required to access the banks' app chat facility in order to contact Monzo. I've also kept in mind that Mr A told the investigator that a PIN was needed to access his banking app on his mobile phone. I've not seen any evidence that Mr A disclosed this to someone else.

- The screen shots also show that believing he'd been the victim of fraud, Mr A said he'd blocked his card, wanted to update his email address to the same email address he's provided to our service, and said he'd asked for a refund from the taxi service which hadn't yet appeared in his account. I find it unlikely that someone other than Mr A would've been aware of such level of detail about his account, transactions and personal information. I also think it's unlikely that a fraudster would contact the bank to dispute transactions on Mr A's account.

So, when I weigh everything up, I find on balance, that Mr A made or otherwise authorised the disputed transactions. It follows that Monzo is entitled to hold him liable for them.

My final decision

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 July 2021.

Sharon Kerrison
Ombudsman