

The complaint

Miss B complains that Monzo Bank Ltd (“Monzo”) won’t refund £300 she says was retracted by a cash machine (“ATM”).

What happened

The circumstances of this complaint are well known to both parties, so I won’t repeat them all again here in detail. But I will provide an overview of events below.

In July 2020, Miss B says she attempted to withdraw £300 from an ATM. She says the cash was dispensed but, was retracted by the ATM. Miss B contacted Monzo about this, which initially refunded the £300 to Miss B’s account. However, following a chargeback claim, Monzo debited this amount, which Miss B complained about.

Monzo responded to Miss B’s complaint stating that it had raised a chargeback, but the card scheme provider ruled the dispute in favour of the ATM provider. Because of this, Monzo said it isn’t obliged to offer a refund as the dispute wasn’t ruled in Miss B’s favour.

Unhappy with this response, Miss B referred her complaint to our service.

One of our investigators considered the complaint and upheld it. He concluded that Monzo should’ve requested further information – such as the purge box report – during its investigation. He said without this, he couldn’t conclude, on balance, whether the £300 had been removed from the ATM slot or retracted after it had been dispensed. For these reasons, he asked Monzo to refund to Miss B £300 with 8% interest.

Miss B accepted the investigator’s findings, but Monzo didn’t. In short, it said that the transaction was authorised and the cash had been dispensed. It said what happened to the cash after it was in the ATM slot ready for collection was not its responsibility. It added if the purge bin/box showed the £300 had been retained, this amount would’ve re-credited Miss B’s account if not taken.

As no agreement could be reached, Monzo requested a decision.

Prior to issuing this decision, I wrote to Monzo. In short, I said that I didn’t find the evidence it relied on to be satisfactory – particularly given the fact it doesn’t show whether the cash had been retracted by the ATM. I also said I found Miss B’s testimony following the attempted ATM withdrawal to be persuasive. Monzo’s position, broadly, is that it carried out its obligations under the chargeback rules and that it shouldn’t be held liable for the negligence of Miss B. Monzo added that requiring it to provide the evidence concerned, is unfair and excessively onerous.

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 agree with the conclusions reached by the investigator for reasons I set out below.

But first, I would like to say at the outset that I've summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed, it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint.

I do acknowledge that Monzo says it has followed the chargeback process and that the rules don't require it to request information such as the purge bin/box in ATM disputes. However, when applying my fair and reasonable remit, I must consider whether Monzo took reasonable steps to request technical evidence showing whether the £300 had been retracted by the ATM, as per Miss B's testimony.

On the day in question, Miss B explains that she was expecting an important call from her doctor's surgery. She says when she had completed her transaction at the ATM and was awaiting the £300 to be dispensed, her surgery called, which she answered. She says whilst she was talking on her phone, the cash was dispensed, but then retracted. Having considered Miss B's testimony, I find it to be more persuasive than the evidence (or lack of) provided by Monzo. I say this because:

- Monzo didn't request any technical evidence to show that the £300 had not been retracted by the ATM. This information can no longer be obtained due to the passage of time. I see no reason why Monzo couldn't have requested this evidence at the time considering Miss B's complaint. It follows then that without this evidence, I can't be certain that Miss B's £300 withdrawal was successful.
- Miss B's testimony is plausible and has been consistent throughout – both to Monzo and to this service.
- Miss B attempted at least one further withdrawal for £300 after the one concerned, which was unsuccessful. I find this particularly persuasive as it supports Miss B's testimony that the initial £300 was retracted by the ATM, hence her further attempt for the same amount.
- From what I can see, Miss B requested CCTV footage of the event concerned. I consider it unlikely that she would request such footage in the circumstances if she was being untruthful.

When there are two competing versions of events put forward by the parties involved in a complaint, I must consider whatever evidence is available. I then weigh this evidence against the balance of probabilities to decide what's more likely to have happened in the circumstances. Having done this here, I consider it more likely than not that the £300 was retracted by the ATM.

So, taking all the above factors together – Monzo should refund to Miss B £300 with 8% interest, as she has been deprived of this money.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint. I therefore require Monzo Bank Ltd to:

- Refund to Miss B the amount of the attempted ATM withdrawal (£300);
- Pay 8% interest on this amount from the date it was debited from her account until the date of settlement; and

- If Monzo Bank Ltd deducts tax in relation to the interest element of this award it should provide Miss B with the appropriate tax deduction certificate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 12 November 2021.

Tony Massiah
Ombudsman