

The complaint

Mr M complains that Monzo Bank Ltd won't refund a disputed transaction made from his account.

What happened

Mr M has an account with Monzo.

On 4 June 2020 Mr M noticed that someone had transferred £250 from his account to the account of a third party I will refer to as Mr R. The transfer took place at 4.20 am.

Mr M says it wasn't him who carried out the transfer. Mr M notified Monzo through their banking app.

Mr M complained to Monzo. They investigated and didn't uphold the complaint. They said the transaction wasn't fraudulent and therefore they wouldn't refund him.

Mr M was unhappy with Monzo's response, so he complained to our service.

One of our investigators looked into the complaint. Our investigator didn't uphold the complaint. She thought that either Mr M had made the transaction himself or had authorised someone to do them. Although the transaction was made from a different device the IP address used had been used by Mr M a couple of days before. She thought that Mr M must have consented to the transfer because Mr M's PIN and other details were needed to carry out the transfer.

Mr M had said he hadn't shared his PIN or details with anyone else and no one has access to his card or PIN or his phone.

Mr M was unhappy with the investigators view so he asked for an ombudsman to review the case.

As there was no agreement 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.

Generally, Monzo can hold Mr M liable for the disputed transactions if the evidence suggests it's more likely than not, he made or authorised them himself.

I am satisfied from the bank's technical evidence that Mr M's genuine security details were used to make the disputed transaction. But the regulations relevant to this case say that is not, on its own, enough to enable Monzo to hold Mr M liable. So, I also need to think about

whether the evidence suggests it's more likely than not Mr M consented to the transfer being made.

From what I've seen, I don't think it's unreasonable for Monzo to conclude Mr M authorised the transactions. I say this because:

- The payment was authorised using Mr M's PIN. Mr M has said that he hasn't shared his PIN so I can't see how a fraudster would have guessed Mr M's PIN.
- Although the payment was made using a different device to the one Mr M usually uses, the IP address used was the same one used by Mr M two days before the disputed transaction using his usual mobile device.
- The IP address used was likely a household network. This suggests Mr M had been at that location with his mobile and accessed his mobile banking from that location.
- In order for the payment to be made on a different device the app would have been downloaded on that device. A magic link is provided by Monzo in that situation – the link would have been sent to Mr M. So, in order for the app to be used on another device, Mr M would have had to forward the link on.
- Mr M would have been sent an email to his account to confirm that the app had been successfully downloaded. So, I think it likely he was aware the app had been downloaded on a different device. Despite that notification he didn't get in touch with Monzo to highlight the issue .
- As two different devices were used, the email log should show that two different devices were used to log into the email, but Mr M's online banking was only accessed through his usual mobile device.
- Mr M has said no one else knew his PIN or had access to his phone and phone PIN. So, it's difficult to see how these details were compromised to allow the fraudster to access Mr M's account.
- Mr M's phone was biometrics enabled, so the phone was unlocked using the biometrics information. I have seen evidence the Monzo website was accessed through the biometrics information so Mr M must have been present when the phone was used.

Taking everything into account I find on balance that it's more likely than not Mr M carried out the disputed transaction or allowed someone he knew to do so. It follows Monzo are entitled to hold him liable for it and I won't be asking Monzo to refund Mr M.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 September 2021.

Esperanza Fuentes
Ombudsman