DRN-3013295

The complaint

Mr T complains that Monzo Bank Ltd (Monzo) should have done more to stop some of the payments he's made to a specific retailer, which I'll call R, from being duplicated.

What happened

Mr T has a bank account with Monzo which he opened in September 2019.

In early 2020, Mr T noticed some of the card payments he'd made to R were showing as being requested twice. Although the extra payments didn't leave his account – the funds appeared unavailable until the duplicate payments were reversed.

When Mr T contacted Monzo about this issue, they said the problem related to a technical error involving R's payment processor. They also explained that they were working with all the parties involved to help solve the problem – however they couldn't provide a timeframe for a solution being found. They also told Mr T any duplicate payments would automatically be reversed within a few days, but he could also request a manual reversal straight away.

As Mr T continued to experience the same problem on an intermittent basis, he periodically complained to Monzo and they addressed the problem in several final responses. On a few occasions, Monzo paid Mr T some compensation to say sorry for delays in responding to him when using their chat function. However, they declined to provide Mr T with any compensation for the technical fault itself - as they said they weren't responsible for it and they were doing everything they could to try and minimise its impact.

In June 2021 Mr T referred his complaint to our service. He said Monzo should take full responsibility for the fault and pay him £300 compensation for the upset it's caused him.

Our investigator acknowledged Mr T's strength of feeling but also said she didn't think it was appropriate for Monzo to provide him with any additional compensation. She said Monzo had made it clear to him that any duplicate payments would automatically be reversed and if he didn't wish to wait, a manual reversal could take place. She also suggested to Mr T that he could reasonably use a different card when shopping with R, to further minimise the impact of this problem.

Mr T didn't accept the investigator's opinion. He agreed that he could've used one of his other cards when shopping at R - but didn't think he should reasonably have needed to do so. He also said his payments to R hadn't been duplicated since he raised the complaint with our service, and he doesn't think this is a coincidence. Finally, he thinks Monzo should show more empathy, and treat him fairly by providing the compensation he's requested.

As our investigator's opinion remained the same – I've considered the complaint afresh.

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.

At the outset I think it is useful to explain our role. This service isn't intended to regulate or punish businesses for their conduct – that is the role of the Financial Conduct Authority. Instead we look to resolve individual complaints between a customer and a business. Should we decide that something has gone wrong – we can ask the business to put things right by placing their customer, as far as is possible, in the position they would have been if the problem hadn't occurred. We also consider the impact of the problem and if the customer could reasonably have done anything to mitigate the situation.

Monzo have acknowledged the technical problem and are actively working with R's payment processor, and all other associated third parties to try and find a permanent solution. I appreciate Mr T feels Monzo should accept sole responsibility and could have solved the problem straight away. But based on the number of third parties involved and the evidence Monzo have provided - including example authorisation codes and correspondence with the other parties - I don't agree with Mr T. Based on what I've seen, this is unfortunately a complex problem. But, I'm satisfied Monzo are keen to work with everyone involved to try and resolve it.

I'm also glad to hear Mr T hasn't experienced the problem recently. I agree this is unlikely to be a coincidence but not for the reasons Mr T has suggested. As mentioned above, Monzo have been working with the relevant third parties to try and solve the problem, so a reduction in the number of duplicated payments is what I would reasonably expect. I haven't seen any evidence which suggests Mr T has been singled out in relation to this problem or his complaint, and as he's aware he isn't the only customer that has unfortunately been impacted by this issue.

Each time Mr T complained about this problem, Monzo gave him a detailed explanation and made it clear that no duplicate funds would leave his account. This is reflected in Mr T's payment history, as I note that all the duplicated payments were reversed quickly and in any event within a few days. Mr T also doesn't appear to have experienced a financial loss because of this problem, and he hasn't incurred any bank charges. So, the impact of this issue is limited to the trouble and upset he's experienced.

After Mr T received Monzo's initial acknowledgement of the problem in 2020, I think he should reasonably have been aware any payments he made to R, using his Monzo card had the potential to be impacted by this problem. It's also reasonable to conclude he was aware any duplicate payment wouldn't leave his account, and at most would be automatically reversed within a few days. So, if the problem did happen again – as it unfortunately did - it was unlikely to have any long lasting consequences.

Mr T has said he shouldn't have needed to consider using an alternative card to make payments to R. I appreciate his position and it isn't my place to tell Mr T how he should pay for his goods. However, as Monzo told Mr T the problem was unfortunately ongoing - this could have been a simple way to limit the impact of this issue, in addition to the work Monzo were carrying out.

Despite this, Mr T's frustration and upset is understandable. He shouldn't reasonably have experienced any problems when using his Monzo card to shop at R, and I know this intermittent problem has impacted many of his transactions. I also appreciate that monitoring his account for this issue and having some of his funds temporarily restricted would have been frustrating.

I'm satisfied Monzo have taken steps to try and resolve this problem and minimise its impact as far as reasonably possible. So, while I empathise with Mr T's position, and appreciate his frustration, I don't think Monzo should reasonably pay him the compensation he's requested.

My final decision

For the reasons I've explained – I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 12 October 2021.

Claire Greene
Ombudsman