DRN-3201424

The complaint

Mr S is unhappy that Monzo Bank Ltd (trading as Monzo) didn't cancel a debit card payment he made in error.

What happened

On 26 March 2021, Mr S made a payment of £693 using his debit card. Shortly after making the payment, he contacted Monzo to ask for the payment to be stopped, as he had intended to make the payment using his credit card instead.

Monzo told Mr S to contact the merchant to ask them not to collect the payment. When Mr S did so, the merchant told him that Monzo were able to recall the payment. He got in touch with Monzo again. They explained only the merchant could cancel a card payment and they can't recall it. They offered to raise a dispute with Mastercard and asked him to provide further information.

Unhappy with this, Mr S raised a complaint. Monzo apologised for the frustration caused and explained that they could've reversed the payment when Mr S first contacted them, if he gave them the required supporting evidence.

Our investigator said that Monzo could've provided clearer information to Mr S, but didn't feel he should be compensated as the inconvenience caused to him didn't go above what we'd expect to see. Mr S disagreed and asked for an ombudsman to consider his complaint.

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.

When Mr S first contacted Monzo to ask for the payment to be cancelled, they asked him to contact the merchant directly. I think this was a reasonable suggestion at the time as it's often the quickest way to resolve these types of issues.

Monzo have already accepted that they could've reversed the payment, if Mr S provided further information. So, I've focused on the point disputed here – whether Monzo were clear about the process and why they required the information.

On 8 March 2021, Monzo told Mr S:

> *"I'm afraid that we can't recall a card payment, only the merchant can cancel a card payment.*
>
> *If they definitely won't be collecting the payment, we could raise a dispute with Mastercard. Before we can do that, we need a little bit more information... We would need them to confirm the amount, date, and either the last 4 digits of the card number or the authorisation code of the payment, as well as to confirm that they won't be collecting it."*

Monzo told Mr S they couldn't recall the payment but offered to raise a dispute. But they've since confirmed they could've reversed the payment, if Mr S provided the information they'd asked for. Based on this, I think Mr S was given contradictory information. So, I can understand his frustration and disappointment.

I don't think it was unreasonable for Monzo to request supporting information from Mr S before reversing the payment. This is to ensure the merchant was also in agreement with the transaction being cancelled. But since they told Mr S that they required this information to raise a dispute, he didn't take things further.

I can understand why Mr S didn't provide the information Monzo asked for, as he wasn't disputing the payment. He simply wanted it to be stopped. If Monzo were clear about the process and why they required the information, it's likely Mr S would've provided them with the necessary information to recall the payment.

And as a result, I think Monzo have let Mr S down here. He has explained he wasn't able to make another payment using his debit card. He's told us he borrowed money from his mother – but hasn't been able to provide evidence of this.

I've thought about the impact on Mr S to decide if Monzo should compensate him. It's important to explain that any award of compensation we make isn't intended to punish the financial business.

Sometimes mistakes do happen and this may cause the consumer inconvenience, frustration and annoyance. This doesn't mean the consumer must be compensated in all circumstances. I need to be satisfied that the impact on the consumer was more than the normal nuisances of everyday life.

I don't think the impact on Mr S here was significant enough to ask Monzo to pay compensation. I say this because dealing with financial services isn't always hassle free and occasionally mistakes do happen. We're all inconvenienced at times in day-to-day life and it isn't unusual to experience some frustration and annoyance.

I've also taken into account that part of the distress and inconvenience caused to Mr S wasn't down to the error made by Monzo. I say this because, Mr S accidently made the payment using the wrong card, so it was inevitable he'd be inconvenienced to rectify the issue. But I agree some of the distress and inconvenience caused by Monzo could've been avoided.

That said, Mr S was able to lessen the impact on him by borrowing money from his mother to cover the other payment he needed to make. So, the impact on him wasn't significant. Also, he didn't suffer a financial loss.

Looking at the chat history, Mr S spent some time and effort to sort this issue, but overall this was minimal. Mr S also had another option available to mitigate his situation. He could've paid part of the second payment using his credit card. This would've put him in the same position he would've been in if the initial payment was made on his credit card as he intended.

All things considered, I don't think the impact on Mr S was significant enough to warrant compensation. So, I won't be making an award in these circumstances.

My final decision

For the reasons explained above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 April 2022.

Ash Weedon
Ombudsman