DRN-3353935

The complaint

Mr P complains that Monzo Bank Ltd didn't raise a chargeback dispute for him with his debit card network.

What happened

Mr P paid for dental services using his Monzo debit card in March 2020. He received a CD with some images on it. But when Mr P tried to access the images, he couldn't. He tried to raise this with the dental company he'd paid, but they didn't respond. So Mr P contacted Monzo about the issue. It's not clear when that was exactly, but I understand Monzo responded shortly afterwards, in January 2021.

Monzo explained that there was a time limit for raising the sort of dispute Mr P had. They explained this was 120 days, and was set by the debit card network provider. They said that meant they couldn't help Mr P with his dispute.

Unsatisfied with this, Mr P came to us. But our investigator confirmed that Monzo were correct about the 120-day time limit. So he felt it was reasonable that Monzo hadn't been able to help Mr P with his dispute.

Mr P asked for that view to be reconsidered. He felt the events of 2020 – and his specific circumstances – should have been taken into account more, before rejecting his claim against the dental company. He also felt it was unreasonable for Monzo to allow him to raise a dispute with a transaction after 120 days, if there was such a strict time limit in place.

Unresolved, the complaint has come to me for a formal decision.

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.

While I can appreciate Mr P's frustration, I've decided not to uphold this complaint. I find Monzo acted reasonably when I consider the rules that apply.

I can see this wasn't an unauthorised transaction. Mr P agreed to pay the dental company in return for services. The issue is around the format of some digital information, which Mr P is unable to open.

So the correct process for Monzo to pursue this dispute with the dental company was through the card network provider's chargeback rules. These rules aren't set by Monzo. So they have to follow them, without having any control to change them.

The rules include a time limit – a chargeback must be raised within 120 days of the payment being made or the service being provided. Mr P's contact with Monzo – apparently in January 2021 – was well outside of this time limit. So I can't see Monzo made a mistake in telling Mr P that meant the chargeback process couldn't proceed.

There’s no other action in the rules that could be used by Monzo. There isn’t an option to put the time limits aside just because Mr P wasn’t aware of them. Nor are there rules to allow the exceptional circumstances of 2020 to be factored in to the extent needed to allow Mr P’s claim to go ahead.

That leaves Mr P having to try to resolve the dispute directly with the dental company, rather than through Monzo. While I appreciate that’s frustrating for him, I find that outcome is fair in the circumstances of the case, and the service Monzo provided.

Monzo correctly applied the card network’s rules. They explained these to Mr P. And they’re not responsible for the delay in the chargeback claim being raised with them. I find they don’t need to do anything further to resolve Mr P’s complaint in this case.

I note Mr P’s said he shouldn’t have been allowed to raise a dispute with Monzo, given the time limits that apply to the chargeback process. But I don’t see that as a major issue. There are other types of problem that can arise with payments on a bank account – for example, fraudulent payments, or technical errors – which have different time limits for being raised. Having a system that first listens to the customer and then explains whether a matter can proceed is a reasonable way to handle the variety of problems that might arise.

My final decision

I’ve decided not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr P to accept or reject my decision before 15 August 2022.

Paul Mellor
Ombudsman