DRN-3378113

Financial Ombudsman Service

The complaint

Mr M complains that Monzo Bank Ltd didn't reimburse a cash withdrawal that he says wasn't dispensed correctly.

What happened

In April 2021, Mr M was abroad. He says he tried to withdraw money from a cash machine. He wanted to withdraw 2,000 units of the local currency. But he says the machine only dispensed 200 units. The next day, he reported this to Monzo.

Monzo contacted the machine operator through the card processing network's chargeback scheme. It said that, base don the information it received, it thought the cash was dispensed correctly. Mr M didn't agree – and referred the complaint to us.

I issued a provisional decision on this complaint on 5 May 2022. I said I'd considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint – and that based on what I'd seen, I didn't think the complaint should be upheld.

I first noted that the information from the machine owner showed that Mr M made a number of attempts to withdraw cash from the machine – but these exceeded a limit so were unsuccessful. It then showed the withdrawal Mr M made. It showed Mr M withdrew 2,000 units of the local currency, dispensed as 5 x 100 notes and 3 x 500 notes.

I acknowledged that this information, on its own, wasn't enough to show that the transaction processed correctly and with no errors. And I noted that we'd asked Monzo for additional information about the transaction, including whether cash was found in the machine's purge bin and whether the machine balanced a the end of the day – but Monzo had said it wasn't able to provide this information as it wasn't something merchants were required to provide as part of the chargeback process.

But I'd also considered what Mr M had said happened. He contacted Monzo the day after he made the cash withdrawal to say that he'd attempted to withdraw 2,000 of currency but only received 200. He said he waited to see if it would dispense the rest, but it didn't.

Mr M said the machine dispensed 2 x 100 notes. He said the machine made a strange noise and that he could hear a number of notes being counted – and it seemed like there were more than just the notes being dispensed. He says he raised this with security near the machine, and was told this wasn't the first time this had happened and that many people were having the same problem. He says he noticed a device next to where the card entered the machine, but doesn't know if that was just a feature of the machine. I've seen nothing else to suggest the machine was tampered with in any way. And in any case this seems unlikely as Mr M received some funds from the machine. A cash trap, or similar, would likely collect all the dispensed funds, not a portion.

More recently, we'd asked Mr M for more information about what happened. According to Mr M's statements, immediately after the disputed cash machine transaction Mr M transferred the remaining funds in his Monzo account to an account with another business. Mr M had previously referred a complaint to us about this other business – he'd said that that two cash machine withdrawals in January 2021 had been dispensed incorrectly. I further noted that the information from the other business showed that shortly after Mr M transferred the funds from the Monzo account following cash withdrawal in April, Mr M withdrew the funds from his other account just moments later, at the same location as the disputed Monzo withdrawal.

Mr M says he thought the funds got stuck in the machine internally and that if he made another withdrawal then it might all come out together. He says that this was the first time this had ever happened to him so he was just trying his luck to see if the second withdrawal would help. He also said he tried to withdraw 100 units of local currency, but the machine only had notes in denominations of 500.

We've also asked him about the delay in reporting things to Monzo. He says he didn't know how to raise the dispute because Monzo didn't have a contact number – so he had to keep trying to find out how to do this online.

Thinking about all of this, I didn't find Mr M's account of what happened plausible or persuasive. In particular, this *wasn't* the first time this had happened. He'd previously said the exact same thing happened to him in January 2021. He'd raised a complaint about this in March 2021. In that case, Mr M said he'd made two cash withdrawals and *both* had dispensed incorrectly. It seems unfortunate that the same thing would happen again so soon afterwards. I also found it hard to believe that Mr M would then, after the April 2021 transaction, have tried a second withdrawal to see if this would release the funds. Moreover, it appeared Mr M didn't just withdraw 100 units or even 500 units of the local currency. It appears he withdrew more or less all the funds he transferred from the Monzo account – in the region of 3,000 units of the local currency.

With all this in mind, I didn't think it was wrong of Monzo to refuse to refund the transaction. I accepted it was possible things happened as Mr M described them. But Monzo had some evidence that the money was dispensed correctly and, for the reasons I'd explained, I didn't find Mr M's account of what happened persuasive. On balance, I thought it more likely the cash dispensed correctly.

For these reasons I wasn't minded to uphold Mr M's complaint.

I said I'd consider any further information I received before 1 June 2022.

Monzo hasn't sent me anything further to consider. Mr M has responded to say he doesn't agree with my findings but has nothing further to add. I've therefore looked at 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.

Neither Monzo or Mr M have sent me anything further to consider. I therefore reach the same findings as in my provisional decision for the same reasons.

My final decision

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 11 July 2022.

Rebecca Hardman
Ombudsman