DRN-3421170

The complaint

Mr M complains that Monzo Bank Ltd won't refund disputed transactions made from his account. He's also unhappy that Monzo Bank Ltd closed his bank account.

What happened

On 18 March 2021 a payment was made from Mr M's account to an e-money provider I'll call P.

Mr M explained to Monzo that he didn't authorise the payment. Mr M advised that he'd attempted to buy some food shopping however the payment was declined. So he transferred some money from another one of his accounts, with a bank I'll call Bank L, to his Monzo account. However, these funds were then spent on the disputed transaction.

Monzo looked into Mr M's claim but didn't uphold it. They thought on balance that Mr M most likely authorised the payment.

Monzo also provided Mr M with two months' notice to close his account – and Mr M's account was closed on 30 May 2021.

Mr M wasn't happy with Monzo's response so complained to our service.

One of our investigator's looked into Mr M's complaint, but they didn't uphold it. In summary they thought it more likely than not Mr M authorised the disputed transaction because:

- There was no evidence of a declined payment in a supermarket as Mr M described
- The transfer in from Mr M's account with Bank L enabled the payment to be successful

Mr M didn't accept our investigator's view. And in response he highlighted that he'd advised both Monzo and our service that the transfer he made into his account was to provide him with sufficient funds to buy food for his Dad.

As Mr M didn't accept our investigator's view, the case has been moved to me for a 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.

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

I'm satisfied from the bank's technical evidence that Mr M's genuine card details were used to make the disputed transactions. But the regulations relevant to this case say that is not, on its own, enough to enable Monzo to hold him liable. So, I also need to think about whether the evidence suggests that it's more likely than not that Mr M consented to the transaction being made.

From what I've seen, I don't think it's unreasonable for Monzo to conclude that Mr M authorised he transaction. This is because:

- The disputed transaction was carried out online at 5:14pm on 18 March 2021. At 5:10pm on the same day a payment for the same amount was attempted to P, but this was declined because of an insufficient balance. Three minutes after the declined payment Mr M transferred in £26.49. And less than *one minute* later the disputed transaction was carried out. Mr M's explained that he made the transfer in from Bank L as he was attempting to buy food shopping, and his transaction was declined. But, I've seen the audit trail from Monzo and there's no evidence of a declined payment at this time.

- To carry out the transaction a fraudster would have needed access to Mr M's card details – Mr M explained that his card was at home at the time of the disputed transaction, and the only other person who lived there is his wife, who wasn't at home.

- Mr M's explained that he transferred in funds he received into his account with Bank L from his Dad. Our investigator asked Mr M for bank statements to show the transaction, however Mr M hasn't provided these.

- For a fraudster to have carried out the payment without Mr M's knowledge, they'd have needed to be aware that between 5:10 and 5:14pm Mr M's balance would increase sufficiently to enable the payment. Looking at Mr M's online banking log I can see a log in at 5:13pm, prior to the successful payment, but Mr M hasn't disputed he checked his account at this time. And the device used, matched a device regularly used previously to log into his account.

For the reasons I've outlined above and taking everything into account, I find, on balance, that Mr M authorised the disputed transaction. It follows that Monzo is entitled to hold him liable for it.

Account closure:

Mr M didn't respond specifically to our investigator's conclusion about the account closure – however I've briefly considered this, and whether Monzo acted fairly in closing his account. I understand Mr M will be disappointed, but as per the terms and conditions of Mr M's account Monzo are entitled to close any account with a customer by giving 2 months' notice. Which they provided. The bank doesn't need to provide a reason for this. Therefore, I can't conclude they acted unfairly in closing Mr M's account.

My final decision

My final decision is I don't uphold this complaint.

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

Jeff Burch
Ombudsman