

The complaint

Miss M says Monzo Bank Ltd did not recover and refund in full money she paid to a fraudulent company.

What happened

Miss M contacted Monzo on 6 October 2021 saying she wanted to raise a chargeback for payments she had made to a third party for services that had not been received. She provided evidence to support her claim on 11 October. Monzo explained it would not be able to raise a chargeback as, amongst other things, the transactions Miss M wanted to dispute were all made in February and March 2020. And the Mastercard chargeback scheme rules prevent claims being raised more than 120 days after the payment.

It did however offer £75 as a gesture of goodwill recognising a delay in issuing its response to Miss M's complaint, as well as Miss M needing to repeat information and some confusion initially when its Disputes team didn't realise she had received partial refunds for some of the transactions she was disputing.

Our investigator did not uphold Miss M's complaint. She said in the circumstances Monzo's only option was to recover the money was to raise a chargeback. But it has to follow Mastercard's scheme rules and in this case Miss M had brought her dispute outside of the permitted timings. She also noted Miss M had received some of the services from the third party, as well as partial refunds. She felt the £75 offered for the service issues was fair.

Miss M disagreed, saying as she known about the time limit she would have raised this sooner. She has provided all the evidence she can to show the third party is fraudulent.

As an agreement wasn't reached the complaint was passed to me to make a final decision. And our investigator explained to Miss M that we could only look at the conduct of Monzo, not the third party.

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.

Having done so I am not upholding Miss M's complaint. I'll explain why.

As Miss M requested, Monzo could have looked to raise the disputes as chargebacks. In certain circumstances card issuers (so here Monzo) can request refunds from sellers by raising a chargeback claim – but there's no obligation on an issuer to do this. This system has rules which means there are only certain grounds under which a chargeback can succeed. So in this case I need to decide whether Monzo acted fairly and reasonably in its decision not to present the four chargebacks on behalf of Miss M. I find that it did as one of the Mastercard scheme rules is that claims must be made within 120 days from when a transaction is made or when you were due to receive the goods or services. The process the third party was helping her with had concluded by March 2021. The transactions were made

in February and March 2020 and she contacted Monzo about them by phone on 6 October 2021 – so all relevant dates were far outside the 120-day limit.

So based on the chargeback rules I think Monzo's decision was fair and reasonable.

I also find the £75 offered (£25 for the delay in sending a final response letter and £50 for the misunderstanding over the partial refunds and the need to repeat information) to be fair and reasonable. I have considered the impact of these issues on Miss M to reach this conclusion.

I am sorry Miss M feels she has paid for a service she did not receive but for the reasons set out above I cannot fairly conclude Monzo ought to have done anything differently in assisting her to recover the money.

My final decision

I am not upholding Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 1 August 2022.

Rebecca Connelley
Ombudsman