

The complaint

Ms B complains that Monzo Bank Ltd won't refund a disputed payment made from her current account.

What happened

Ms B says that in September 2021 her phone was no longer allowing her to make contactless payments from her Monzo account via Google Pay. So she took steps to re-add her Monzo card to the app. Ms B says there appeared to be an issue with this process, but that on the 8 September 2021 she got a message to say she should complete the process of adding her card. Ms B did so, but later that day realised that three payments she did not recognise had been attempted from her Monzo account via Google Pay. Two of these payments were declined as there were insufficient funds to cover them, but one of the payments was allowed to go through.

Ms B contacted Monzo to say this payment had not been authorised by her. The payment was for car hire in a different country, and Ms B confirmed she had never been there.

Monzo investigated and decided not to refund the disputed payment. It said the Google Pay app had been set up on Ms B's device and so, as the payment had then been made via Google Pay, Ms B must have authorised it.

As Ms B didn't agree with Monzo's decision, she asked us to investigate.

Since Ms B referred her complaint to us, Monzo has explained that it feels there were delays in its response to her concerns, and so has offered to pay Ms B £50 to recognise the impact of those delays.

Our investigator didn't recommend the complaint should be upheld. In summary, she felt that there was no plausible explanation for how someone could have accessed Ms B's Google Pay app to make the payments.

Ms B disagreed, so the case has been referred to me for a final 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.

The relevant law here is the Payment Services Regulations 2017, and broadly speaking Ms B is responsible for any payments that she has authorised (either by making them herself or allowing someone else to) and she isn't responsible for unauthorised payments.

So, the key question here is whether Monzo has acted fairly in concluding that Ms B did authorise the disputed payments.

I'm satisfied from the bank's evidence that Ms B's genuine Google Pay account was used to make the disputed payment, and that Google Pay had been set up on Ms B's device. Monzo's evidence shows that only one device was registered with it at that time, and this was a device that had first been registered with Monzo in 2019, and was then reregistered on 8 September 2021. So it seems clear that the device used to set up Google Pay was Ms B's phone. But the regulations relevant to this case say that is not, on its own, enough to enable Monzo to hold her liable. So I also need to think about whether the evidence suggests that it's more likely than not that Ms B consented to the payments being made.

From what I've seen, I don't think it's unreasonable for Monzo to conclude that Ms B consented to – and so authorised – the transactions. Specifically, given that I'm satisfied Ms B's phone was used to set up Google Pay, I can't see how any other party could have then made a payment through Google Pay without Ms B's consent. Ms B has confirmed that her phone had PIN and facial recognition set up as security features and that nobody else had access to her phone. So I agree with our investigator that the information Ms B has given to us doesn't suggest any plausible way that a fraudster could have gained access to her Google Pay facility.

I appreciate that Ms B says she has never been to, or had any connection with, the country where the transaction ultimately was made to. But given that this was an online payment, I don't think that means that she couldn't have made the transaction or allowed it to be made.

Taking everything into account, I think, on balance, that Monzo was reasonable to conclude that Ms B authorised these payments. It follows that Monzo is entitled to hold her liable for them.

I've noted Monzo's offer to pay Ms B £50 in recognition of any distress caused by the delays in providing her with a full response to her complaint. And I'm satisfied that offer is fair in the circumstances.

My final decision

I don't uphold this complaint. Monzo Bank Ltd should now pay Ms B the £50 it has offered to her if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 15 September 2022.

Sophie Mitchell
Ombudsman