

The complaint

Miss A complains that Monzo Bank Ltd (Monzo) won't refund two transactions she says she didn't make and does not recognise.

What happened

Miss A said that in February 2022, she transferred money into her Monzo account and shortly after, two transactions were made but not by her. She said she reported the disputed transactions to Monzo on the same day, as soon as she was aware of what had happened, but it had refused to refund the money.

Monzo said that the transactions had been authorised using 3DS verification, which requires access to the Monzo account via a registered device. It also confirmed that a Personal Identity Number (PIN) number was used to approve the transactions. As Miss A had confirmed that no one else had access to her phone or PIN it didn't uphold the complaint.

Miss A wasn't happy with its response so brought the complaint to us. One of our investigators looked into it but didn't think that Monzo had done anything wrong. As Miss A was still unhappy, she asked for the complaint to be looked at by an ombudsman, so the complaint was passed to me.

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.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider good industry practice at the relevant time.

The key consideration for me is whether I think it's likely Miss A made the transactions herself (or allowed someone to do them on her behalf) or whether it was likely done by someone else without her knowledge – and by extension, whether it's fair for Monzo to hold her liable for the payments.

Whether a payment transaction has been authorised or not is important because account holders will usually be liable for payments they've authorised and, generally speaking, banks will be liable for unauthorised payments. If Miss A made the disputed transactions herself or authorised them to be made on her behalf, it would not be fair to ask Monzo to refund them. However, Miss A says she was not involved in the payments in dispute.

Having looked at the complaint fully, my review of the evidence has led me to the same overall conclusions as the investigator previously set out and for much the same reasons. I will explain why.

There are occasions when people can be persuaded to make a payment, not realising that it's part of a scam. But that isn't what Miss A has told us happened. Therefore, the starting

position is that Miss A is not a victim of a scam.

Miss A transferred money into the account two minutes before the first disputed transaction, funding it, this suggests intimate knowledge of her account.

Monzo has said that there is only one active device registered to the account. I've seen the electronic records which shows that Miss A's trusted device was used to authorise the disputed transactions using 3DS verification. 3DS verification is used as an extra security step in an attempt to prevent fraudulent transactions. A customer is directed to the app to authenticate a payment. This is done either using biometric security or the consumers PIN. In this case, it was done with a PIN.

Whoever authorised the payments would have had to have been able to obtain the device, access her banking app and know her PIN. I don't think it's likely a third party would have been able to access her phone, make the transactions and return the phone without Miss A being aware of it, especially as the two transactions were over an hour apart. According to the in-app dispute form completed by Miss A, no-one else had access to the device or knew the PIN at the time of the disputed transactions. I therefore don't see how the transaction could have been made by someone else.

Overall

Having considered everything, all of the available evidence points to it being more likely than not that Miss A made the transactions herself. I realise that this is not the outcome Miss A was hoping for, but that is what the available evidence leads me to believe here. This means that Miss A can be held responsible for them. As such, I cannot fairly and reasonably require Monzo to take any further action in relation to this matter.

My final decision

I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 10 November 2022.

Sarah Green
Ombudsman