

## **The complaint**

Mr O has complained that Monzo Bank Ltd won't refund a transaction he says he didn't make or otherwise authorise.

## **What happened**

In February 2022, a £2,000 transfer was made from Mr O's Monzo account to another UK bank account, using Mr O's mobile phone. This reduced Mr O's balance to £7.92, which he then transferred away the following morning. He then continued using his account.

The following week, Mr O reported the £2,000 transfer as fraudulent. He said he hadn't noticed it earlier either because he thought he'd already transferred £2,000 to his other account, or because the transaction didn't show up on his account for a few days. He confirmed all the surrounding account activity was him, but that he didn't recognise this one transfer. He confirmed he still had his phone, no one else had access to it, he'd never given his security details to anyone or let anyone access his account, he may have written down his security details but he never shared this with anyone, and he didn't think anyone he knew would have done this.

Monzo held Mr O liable for the payment in dispute. They explained it had been made from his mobile phone app, using his security details. They confirmed it showed up instantly on his account, and they noted Mr O would have seen it when he transferred the exact remaining balance away the following day – but he waited a week to report it. They gave Mr O notice they were closing his account.

Our investigator looked into things independently and didn't uphold the complaint. Mr O didn't agree. He felt that Monzo had treated him poorly, that his mental health hadn't been taken into account, and that the payment might have been made by a Monzo staff member. He asked for his case to be reviewed afresh, so it's been passed to me to decide.

## **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.

In doing so, I have also considered everything Mr O's told us about his wider circumstances, including the tough time that I understand he's been going through.

Broadly speaking, the key question here is whether this payment was authorised or not. Monzo can hold Mr O liable for the transaction in dispute if he authorised it.

I'm satisfied from Monzo's technical evidence that the payment in dispute was properly authenticated using Mr O's genuine mobile phone app. I also need to think about whether the evidence suggests that it's most likely Mr O consented to the transaction, or not.

First, I've considered the possibility that the payment was made by someone who Mr O did not know.

The payment was made using Mr O's mobile app, on the only device that was actively registered to the account at the time. This was the same device Mr O had been using for his online banking since 2020. Further, the payment was made from the same IP address that Mr O used for his genuine activity both before and after the disputed payment. I'm satisfied that this was Mr O's genuine mobile phone.

Mr O didn't lose his mobile phone, no one else had access to it, and it was still in Mr O's possession after the disputed payment. Indeed, he used it to make genuine payments the very next day – again, from the same IP address used for the disputed payment. Mr O did not appear to have downloaded any suspicious software, and the only suspicious links he could provide was ostensibly a petition about knife crime, or which alternatively led to an investment scheme where Mr O would need to have willingly sent money himself if he wanted to take part.

Further, the payment needed either Mr O's biometric fingerprint or his account's PIN. It would not have been possible for anyone else to use Mr O's own fingers to access his account without him noticing. And I can't see a likely way that an unknown party would have learned his PIN.

So there's not a likely or plausible way that an unknown party could have made this payment without Mr O's permission. Mr O suggested that a Monzo staff member could have done this, but it was not possible for Monzo's staff members to have remotely used Mr O's mobile phone and app at his exact IP address. And having investigated this matter, I have not found any evidence which otherwise implicates any Monzo staff members in any way.

It is possible that someone known to Mr O may have made the transactions without his permission, such as a friend or family member. For example, they might have found the written record of his security details. But I don't think this is likely, either. It's still not clear how they then would have accessed Mr O's phone without him noticing. And importantly, Mr O said there wasn't anyone he knew who would have done this, so it seems he has effectively ruled out this possibility himself.

The last possibility is that Mr O authorised the payment, either by making it himself or by giving someone else permission to make it.

This possibility fits well with the fact that the payment was made from Mr O's normal IP address, on his genuine app, using his registered mobile phone, which did not go missing and which he still had afterwards and which no one else had access to, using his correct security details on the first try, which he'd also not given to anyone else.

Further, the disputed transfer brought Mr O's account balance from over £2,000 to just £7.92. And the following morning, Mr O transferred the remaining £7.92 away, which he confirmed was him. So it looks like he was aware that almost all of his balance had gone, and exactly how much was remaining. Mr O then continued to use his account regularly, and had to wait for further money to be transferred in to make up for the £2,000 that was lost – so again, he would've clearly been aware that his balance had gone. But he didn't tell Monzo anything was wrong until a full week later. It is not plausible that Mr O would wait so long to report this £2,000 transfer if it was made without his consent.

Mr O has said alternately that the £2,000 payment didn't show up or change his balance at first so he didn't see it, or that he did see it but thought it was his own transfer to his other account. I need to note that this testimony is contradictory, which makes it difficult for me to support either version of events. Further, the £2,000 payment would have shown up straight away and Mr O's balance was updated live, so Mr O would have seen this as soon as he used his account the next morning. It was also clearly displayed where the payment went, so he would have seen it hadn't gone to his other account. And Mr O didn't attempt any large payments to his other account around that time, so he would've known he didn't make any.

Lastly, I've not seen any evidence that makes it seem implausible or unlikely that Mr O could've authorised this payment or given someone else permission to make it.

In summary, I'm satisfied that Mr O's genuine mobile phone app was used, from his IP address, using his correct security details on the first try. Based on the evidence, there isn't a likely way an unknown person did this, or that someone known to Mr O did this without his permission. That leaves only one likely possibility – that Mr O made the transaction or gave someone else permission to make it. And this possibility is supported by the evidence at hand. This is a difficult message for me to give, and I know it's a difficult message for Mr O to receive. But given the evidence I have, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

I do appreciate that Mr O has been going through a tough time in general. And I appreciate that he's been candid with us about his mental health. I've taken on board everything he's said. However, while I have taken into account what Mr O's told us, I'm afraid this doesn't change the fact that the evidence here is clear, in that there is no likely or plausible way that this payment was unauthorised, but that it is both likely and plausible that it was made with Mr O's authority. So based on everything I've seen, I think it's fair for Monzo to decline a refund in this case.

I understand that Mr O is also unhappy with Monzo's customer service. He feels they took too long to investigate and that they were making fun of him. I've gone through Mr O's contact with Monzo, and I can see they investigated things, dealt with his dispute, and responded to his complaint within a few days, which is very quick relative to the normal timescales. For example, banks normally have up to 8 weeks to deal with complaints. I can't see anywhere where they made fun of him or otherwise acted inappropriately – as far as I can see, Monzo's staff kept things polite and appropriate, and they dealt with the matter well. They took Mr O's situation seriously and referred him to suitable organisations in case he needed further help. I don't think Monzo got anything wrong there.

I also understand it was frustrating for Mr O to have his account get closed. But in much the same way that Mr O can choose who he banks with, Monzo can also choose who banks with them. So Monzo can close a customer's account, so long as they give them enough notice. And I can see that Monzo gave Mr O the right amount of notice here.

### **My final decision**

For the reasons I've explained, I don't uphold Mr O's complaint in this particular case.

This final decision marks the end of our service's involvement in the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or

reject my decision before 28 September 2022.

Adam Charles  
**Ombudsman**