

The complaint

Miss K complains that Monzo Bank Ltd won't refund her for transactions she says she didn't make and closed her account. She'd like the transactions refunded.

What happened

Miss K held a current account with Monzo. She says in early February 2022 she made a balance enquiry at an ATM. She later found that her card was missing – and discovered some transactions that she didn't recognise, including ATM withdrawals and a payment to a casino. She reported these, but the bank declined to refund her. They also took the decision to close her account immediately.

Unhappy with this Miss K complained to Monzo. They investigated what had happened but didn't think they'd done anything wrong. They said the terms of their accounts allowed them to close accounts at any time, and they were not going to reverse this decision. They also said they were unable to treat her claim as fraudulent, and their investigation was thorough and reached the correct conclusion.

Miss K then referred the complaint to our service. Our investigator didn't think the complaint should be upheld. He felt it more likely than not Miss K authorised the transactions. He said the timings of the transactions show there was a log in from Miss K's device in the middle of the transactions but didn't report them until after further transactions had left her account. Miss K had said she didn't report them earlier as her phone was low on battery, but the investigator saw there was a further login using this device.

The investigator also felt that Monzo had acted within their terms when closing Miss K's account. He didn't think the bank needed to do anything further.

Miss K disagreed. She said that when she checked her account she was inside without any signal, so her mobile banking wouldn't load. She said she contacted the bank to stop her card immediately. She said she had also charged up her phone while indoors.

She asked for an ombudsman to review the complaint, so the case has 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.

The disputed transactions

The *Payment Services Regulations 2017* say, in summary, that a bank should generally refund a consumer if a payment comes out of their account that they didn't authorise. I've seen from the technical evidence provided that the payments in dispute were authenticated using Miss K's genuine card and PIN, so there's no dispute about the transactions coming about because of something like a technical error.

The key consideration for me whether it's more likely than not Miss K or someone on her behalf made the transactions. If so, then they would be considered authorised and it would be reasonable for Monzo to hold her liable.

Having scrutinised the evidence available, and the wider circumstances of the complaint, I'm satisfied the transactions in dispute were authorised by Miss K. There are several points that lead me to this conclusion:

- It is possible Miss K was observed entering her PIN into an ATM by a thief, who later found a way to steal the card. This isn't unheard of. But I also note there were no incorrect PIN attempts, which would mean if it was a thief then they would have got a good look at Miss K entering the PIN. Or whoever was using the card already knew the PIN
- The money taken had only recently been transferred into the account – earlier that day. The balance was significantly higher than the regular balance. It would be incredibly lucky for a thief to obtain Miss K's card just at the time there was such a significant balance available. It seems more likely the money was transferred in anticipation of being removed and claimed as fraudulent.
- Miss K also told Monzo when she initially reported it that the money was needed for important bills, and later that it was for her mother's bills. But later to our service she said the money was sent to her by her partner for shopping. So, it's clear she's been inconsistent as to the reason this money was in her account.
- Miss K has said the app login in the middle of the disputed transactions didn't load, as she was inside a shop at the time. But it's unclear why she would need to check the app, as she checked her balance at the ATM. It wouldn't then seem necessary to check the app unless she believed something had changed with the account.

Taking this into account, along with the wider circumstances of which I am aware, I'm not persuaded these transactions were carried out by an unknown third party – I don't find Miss K's version of events to be credible. I think they were more likely than not carried out either by Miss K, or someone with her consent. On that basis I'm satisfied Monzo haven't been unreasonable in declining to refund them.

Account closure

Generally, a bank can close a consumer's account so long as they give a reasonable notice period, and it's only in specific circumstances that I'd expect them to close an account immediately. Monzo outline these circumstances in their terms. Having reviewed these terms I'm satisfied that they acted within them when deciding to close Miss K's account immediately and haven't been unfair in doing so.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 17 November 2022.

Thom Bennett
Ombudsman