

The complaint

Mr A is unhappy that Monzo Bank Ltd (Monzo) hasn't refunded him, following a dispute he raised

What happened

Mr A purchased a one-month user licence to have access to a database of CVs with a company I shall call D. This purchase was made using Mr A's Monzo debit card on 6 December 2021 and cost £298.80.

Mr A raised a dispute with Monzo on 20 January 2022 as he believed the service he had paid for, hadn't been received. Monzo responded on 22 January 2022 advising the dispute had been rejected, as insufficient evidence had been provided. Monzo asked for evidence Mr A had tried to resolve the issue with D and anything Mr A had to show a description of what was purchased along with what he actually received.

Mr A re-submitted his dispute on 27 January 2022. In this he explained that the CVs weren't UK based, as he says he was told, and the CVs were often out of date. Mr A provided screenshots of CVs and an email exchange with D, where concerns with the database being unavailable for an hour were raised.

Monzo again rejected the dispute and therefore Mr A asked for a complaint to be logged. Monzo issued its final response on 11 February 2022. In this it said that Mr A hadn't given D 14 days to reply to his concerns with the service it had provided. Monzo also said that Mr A hadn't provided evidence that D had failed to provide the service he had paid for.

Mr A therefore referred his complaint to our service. One of our investigators considered the complaint and concluded that given the evidence Mr A did receive the service he'd paid for. Mr A remained unhappy with this outcome and therefore the complaint 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.

Monzo initially looked to see if it could assist Mr A in retrieving a refund via the chargeback process. Chargeback is the process by which settlement disputes are resolved between card issuers and merchants, under the relevant card scheme. For Mr A's debit card, the relevant card scheme is MasterCard.

A consumer is not entitled to chargeback by right. But where there are grounds to raise one and it has a reasonable prospect of success, it is good practice for one to be raised by the card issuer. Once a refund is requested by a consumer, the card issuer will usually look at the card scheme rules to see if the nature of the dispute is covered under the list of possible chargeback reasons. If so, relevant evidence might be requested to back up the claim and the chargeback is raised.

In Mr A's case, Monzo didn't believe that a chargeback had any chance of being successful, so didn't pursue it further. I've therefore considered whether I agree with that position.

I've looked at the MasterCard chargeback rules which gives the full list of dispute reason codes that can be used to raise a chargeback. Having considered these reason codes, there are two that I believe could've potentially been used by Monzo to initiate a chargeback.

One of these is where the service hasn't been provided. In this case Mr A was able to find CVs, so I don't think this would be relevant. D was providing access to an online system which can sometimes have technical issues and I acknowledge that Mr A says D's system would go down on a regular basis.

However, other than one email where Mr A raises the system being down for an hour, a claim which D disputes believing it was only 10 minutes, there isn't any further evidence of the system not working. I'm therefore satisfied that any chargeback raised under service not provided would have been defended by D and the chargeback unsuccessful.

The other chargeback reason code Monzo could have used is services were not as described.

Mr A believes the CVs were either out of date or the candidates were based in countries outside of the UK and this isn't what he was told he would receive when purchasing access to D's CV database. However, there isn't any evidence to support Mr A's claim that he was told CVs would all be from UK based candidates.

I've therefore looked at the invoice and this makes no promise that the CVs would suit Mr's A particular needs. It doesn't say Mr A would receive a certain amount of positive interaction with candidates, nor that the candidates would all be UK based. Here, what Mr A has paid for is to receive one month's access to D's CV database and I'm satisfied that is what he received.

Taking everything into consideration, Monzo hasn't acted unreasonably in not attempting a chargeback. If it had tried under the possible reason codes I've mentioned above, I find that the chargeback wouldn't have had any reasonable grounds for success as it would likely have been defended by D.

My final decision

I don't uphold Mr A's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 November 2022.

Paul Blower
Ombudsman