

The complaint

Mr S has complained Monzo Bank Ltd won't refund him £1,800 for a transaction he didn't make.

What happened

Mr S complained to Monzo Bank when he noticed a payment for £1,800 had been made from his account to someone he'd not paid before. He'd not made this payment and wanted it refunded. After some delay Monzo Bank told Mr S they wouldn't be refunding him as their evidence showed the payment was authorised by use of a mobile device linked to Mr S's account.

Mr S brought his complaint to the ombudsman service. Our investigator revised the evidence shared by both Monzo Bank and Mr S. She felt overall the evidence showed it was most likely Mr S had made this payment himself.

Mr S was unhappy with this outcome. He didn't believe a payment of as much as £1,000 could be authorised on his account and noted that the payment went to an account with only one name. He didn't understand how Monzo could have allowed this payment to be made.

Mr S's complaint has been referred to an ombudsman for 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.

Having done so, I've reached the same conclusion as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

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 to have been good industry practice at the relevant time.

The regulations which are relevant to Mr S's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. Other factors do apply but nothing else specific in Mr S's case.

So to help me decide what happened, I've looked at the evidence of the transactions, as well as what Monzo Bank and Mr S have told us.

Mr S has disputed one transaction of £1,800 made on 18 August 2020 early in the morning.

The key piece of evidence is that Mr S was using an iPhone at the time and this device was

linked to Mr S's Monzo Bank account. The evidence is clear that it was this device which set up the new payer (who I'll refer to as Y) and authorised the payment. This device continued to be linked to Mr S's use of his Monzo Bank account for some time after this transaction. This includes the chats Mr S held with Monzo Bank to dispute this payment.

Mr S has confirmed there's no way somebody could have accessed his mobile device as it remained in his possession.

This payment for £1,800 was only possible as Mr S received two payments of £1,000 and £800 shortly before this from his employer. From reviewing Mr S's bank statements, I can clearly see a history of Mr S receiving payments from this entity – firstly as individual payments and then from a business. I can't see how someone else would have known Mr S had sufficient funds and could only make the payment once those credits had been received.

Mr S has raised a couple of questions which I've reviewed. I don't agree with him that there's a limit on his account that states only payments to a maximum of £999 can be made. Payments can be made when sufficient funds exist.

Mr S has also questioned how Monzo Bank could allow a payment to be made to Y, which was set up with just one name. I've seen the evidence of the transaction which includes setting up the payment to Y. Monzo Bank flagged this as risky as details about Y didn't match the details held by the receiving bank. The evidence I've seen shows Mr S confirmed that he was prepared to proceed with setting up Y as payee and making the payment.

I think it's more than likely – as the evidence shows – Mr S authorised the payment. He may well have then regretted making this payment or was even led to believe that he was getting something in return which he didn't receive. However overall I believe Mr S authorised this payment. On that basis I won't be asking Monzo Bank to do anything further.

My final decision

For the reasons I've given, my final decision is not to uphold Mr S's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 December 2022.

Sandra Quinn
Ombudsman