

The complaint

Mr W is unhappy that Monzo Bank Ltd won't refund him for two transactions he says he didn't authorise.

What happened

On 27 September 2021, Mr W transferred £30 into his current account intending to use these funds in a supermarket. He says that he visited the supermarket but didn't make a purchase using his card. His friend paid for the shopping.

Following his visit to the supermarket, Mr W said he couldn't find his card which he kept in his pocket with his phone, but his phone was still in his possession. When he logged on to his online banking, he noticed two transactions to the same supermarket he visited – one was a card payment of £30 at the fuel station and the other was a contactless payment for £28.56 at the supermarket. He says he didn't authorise these transactions so reported them to Monzo.

Monzo said they couldn't refund Mr W as it wasn't possible for the transaction to have been authorised by anyone else. They didn't believe the transactions were made by anyone else other than Mr W or someone he provided access to. Unhappy with this, Mr W referred his complaint to our service.

Our investigator thought it was likely that Mr W made the disputed transactions as the genuine chip was read and the correct Personal Identification Number (PIN) was entered. Mr W disagreed and asked for an ombudsman's decision.

My provisional decision

I issued a provisional decision on 25 August 2022 and I made the following findings:

Generally speaking, Monzo is responsible for any transactions that Mr W didn't authorise. But the relevant rules explain that in some circumstances, Mr W can still be held liable – for instance, if Mr W failed to keep his details secure or if he allowed a third party to use his card.

Monzo's records show that Mr W's genuine card and PIN was used to carry out the transaction at the fuel station of £30. The records also show that the contactless payment of £28.56 took place within a few minutes of the first transaction and at the same location.

Based on this, I think that whoever had Mr W's card also had his PIN and carried out both the transactions. Mr W has said he hasn't written down his PIN anywhere and hasn't shared it with anyone.

This doesn't explain how someone who found Mr W's card would've known his PIN. I've looked at Mr W's bank statements and in the several weeks leading up to these disputed transactions, he had only used his card for online payments. So, there were

no opportunities for someone to have overseen his PIN. As a result, I can't reasonably conclude that Mr W's PIN was known by anyone else.

I think this leaves only three possible explanations here – either Mr W authorised the transactions himself, he authorised someone else to use his card or he was grossly negligent with his PIN.

Under the terms and conditions of the account, Mr W is responsible to keep his card and PIN safe at all times. It also explains that Mr W won't be able to claim money back if, he didn't keep his PIN safe or if he gave it to someone else.

Mr W says he didn't make the transactions himself. If I were to accept this, it leaves the only plausible explanations that either, he authorised someone else to use his card by sharing his PIN thus enabling that person to make the transactions or he didn't take reasonable care to keep his PIN safe (for example, noting the PIN on the card or keeping the PIN with the card) and allowed an opportunist fraudster to use his card to make the transactions.

If Mr W gave his card and PIN to someone else, he has effectively authorised the transactions from his account and is responsible for them – even if he didn't know or expect that this party would make these transactions.

And if Mr W failed to keep his PIN secure, I think this would be grossly negligent and he would still be responsible for the transactions. This is because any reasonable person would consider it careless as there was an obvious and foreseeable risk that a third party, known or unknown, could make transactions using his card and PIN.

In all of the above scenarios, which I think are the only plausible explanations here, I'm satisfied that Monzo can fairly hold Mr W liable for these transactions. So, I won't be asking them to reimburse him.

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.

I invited both parties to respond to my provisional decision with any further submissions.

Neither Monzo nor Mr W responded to my provisional decision within the deadline given. So, there isn't anything else for me to consider.

I'm satisfied with the findings I reached in my provisional decision and I see no reason to deviate from the outcome I explained.

My final decision

For the reasons I've given above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 20 October 2022.

Ash Weedon
Ombudsman