

## **The complaint**

Miss B complains that Monzo Bank Ltd won't refund payments she says she didn't authorise.

## **What happened**

Miss B says that in May and June 2022 fraudulent transactions totalling over £3,000 were made from her current account to various businesses in the United States. Miss B says she realised what had happened on 22 June 2022 and immediately contacted Monzo.

Monzo investigated and decided not to refund the disputed payments. It didn't agree that the first transaction was indicative of fraud. And it felt Miss B had been negligent regarding the rest of the payments as she had been logging into her account during the period they were being made but did not flag them with Monzo.

As Miss B didn't agree with Monzo's decision, she asked us to investigate.

Our investigator didn't recommend the complaint should be upheld. In summary, she did not feel she could fairly find that Monzo had acted unfairly.

Miss B disagreed, so she asked for her complaint to be reviewed by an ombudsman.

## **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, my review of the evidence has led me to the same overall conclusions as the Investigator previously set out.

Monzo has commented that, for some of the payments in dispute here, it has declined to refund them because it feels Miss B acted with gross negligence. I don't agree that is relevant here. The payments in dispute are online payments, and so gross negligence is not a relevant consideration. The relevant law here is the Payment Services Regulations 2017, and broadly speaking Miss B is responsible for any payments that she has authorised (either by making them herself or allowing someone else to) and she isn't responsible for unauthorised payments.

I'm satisfied that Miss B's genuine account details were used to make the disputed transactions. But the regulations relevant to this case say that is not, on its own, enough to enable Monzo to hold her liable. So I also need to think about whether the evidence suggests that it's more likely than not that Miss B consented to the payments being made.

From what I've seen, I don't think it's unreasonable to conclude that Miss B more likely than not consented to the transactions.

I appreciate that Miss B has said she believes she may have either shared account information over the phone with a possible scammer, or that her emails may have been

hacked. But the evidence I've seen doesn't support that this is what happened here. No new devices were used to log into Miss B's account over the period in question, no log in or contact details were changed, and the evidence shows that one of the payments made was authenticated using biometrics.

The evidence also shows that the mobile app was used via Miss B's device to view her account during the period of the disputed transactions. So it's not clear how Miss B wouldn't have noticed the payments for several days when her account balance had been so significantly reduced.

Miss B has said she didn't notice anything was wrong until her account balance went below £800, but given that she had paid £5,000 into her account during this period, and would have been aware that she had done limited spending, it's not clear why she wouldn't have been concerned at an earlier stage. Even if the payments did not debit her account immediately, they would have shown as pending. And in any case, the very first payment on 27 May took Miss B's account balance from £213.48 down to £32.80. Miss B logged into her account using the app multiple times that same day and again a few days later, it's difficult to see how she couldn't have noticed that around 80% of the money in her account had gone.

I also note that the pattern of spending in the disputed transactions isn't what we would expect to see if Miss B had been the victim of a scam. The first and last payments were nearly a month apart and I can't see that any further payments were attempted once Miss B contacted Monzo. That's not the kind of behaviour we would expect from a fraudster who would usually clear the entire balance of an account in as short a time as possible and who we wouldn't expect to know when a fraud had been reported.

So, taking everything into account, including all that Miss B has provided, the evidence does not suggest to me that a third party was responsible for these transactions. It follows that I consider it is more likely that Miss B either authorised the transactions herself or allowed them to be made. I realise that this is not the outcome Miss B was hoping for, and she will no doubt be disappointed by the decision I've reached. But with all I've seen I cannot fairly and reasonably require Monzo to take any further action in relation to this matter.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 9 February 2023.

Sophie Mitchell  
**Ombudsman**