

## **The complaint**

Miss M complains that Monzo Bank Ltd (“Monzo”) won’t reimburse a transaction of £900 that she says she didn’t make or otherwise authorise from her account.

## **What happened**

Miss M holds an account with Monzo. She said that late one evening she was messaged by a friend on social media about an investment opportunity. She said that soon after she received an SMS message which she opened and clicked on a link that blocked access to her social media. Miss M discovered that the person she was talking to on social media was not her friend but was a scammer that had hacked her friend’s account.

Miss M later discovered that money had been taken from her account. She contacted Monzo on 17 March 2022 to explain that her social media had been hacked and that a payment of £900 had been made from her account that she didn’t recognise.

Monzo said the transaction had been made by faster payment from Miss M’s device after money was transferred in from her Lloyds account. It said that no new devices had been added to her Monzo account and that the payments had been authorised by her PIN, which she said had not been shared with anyone else. So, it declined to refund the money on the basis that the payment had been authorised by Miss M.

Our investigator didn’t uphold Miss M’s complaint. He asked for information and further details about how she might have been scammed, but he didn’t receive any response. As a result, he thought the payment was most likely authorised by Miss M given it had been made and authenticated from her device. Miss M disagreed, so the matter has been escalated to me to determine.

## **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 agree with the conclusions reached by the investigator and have decided not to uphold it.

When considering what’s fair and reasonable, I am required to take into account relevant law and regulations; the regulator’s rules, guidance and standards, the codes of practice; and, where relevant, what I consider to have been good industry practice at the relevant time.

The events complained of took place in March 2022, so of particular relevance to my decision are the Payment Services Regulations 2017 (PSRs) – which apply to transactions like the one made from Miss M’s account.

The PSRs say that a payment transaction is authorised by the payer where the payer has given its consent to the execution to the payment transaction. Such consent must be given in the form and in accordance with the procedure agreed between the payer and the payment

service provider.

Unless the payment service provider can show consent has been given, it has no authority to make a payment or debit the customer's account. Where a payment service user denies having authorised a payment transaction, it is for the payment service provider to prove that the payment transaction in question were authorised by the customer.

Having considered the facts before me as well as the relevant law, it seems to me that the key question I need to determine here is whether it is more likely than not that Miss M authorised the transaction. In other words, I need to decide whether Miss M made the transaction herself or gave someone permission to do so. This is important because a customer will usually be liable for payments they've authorised and, generally speaking, a bank will be liable for any unauthorised payments.

Our investigator asked Miss M to provide more details around the circumstances of the scam she said she fell victim to, as well as more information about the payment activity that occurred on her account. However, Miss M did not respond to our enquiries and has not provided anything further for consideration in response to the investigator's view either. But having considered the evidence we do have; I'm satisfied that the payment was most likely authorised by Miss M. I'll explain why.

The evidence provided by Monzo shows that the disputed transaction was made using Miss M's device. She confirmed to Monzo that no one else had access to her device, and that she has never shared her PIN with anyone. Her device is also secured with fingerprint biometrics, and Monzo's evidence shows that only her device and fingerprint had been used to logon to her account since 30 November 2021.

So, given the payment was made from the same device and was authenticated by Miss M's PIN (which she says she had not shared with anyone) it seems more likely than not that the payment was made and authorised by her. I appreciate that Miss M disputes this, but given that no one else had access to her device, there is no other plausible explanation for how the payment could have otherwise been made. There is no suggestion that she gave anyone remote access to her device, for example, and neither was her account accessed from any other devices.

I can see that Miss M also transferred £600 in from a Lloyds account in her name the day before the disputed payment on 16 March 2022. An amount of £800 was then moved back to Miss M's Lloyds account on the same day. Miss M has not disputed these payments, and these were made on the same device that was used to transfer the disputed payment of £900 the day after.

Around £800 was then transferred back into Miss M's Monzo account from her Lloyds account around ten minutes before the payment of £900 was made. So, given she had moved money around the day before, it seems she would have been aware of her account balance, and therefore transferred money in from her other account in order to make the payment of £900. Miss M has not said that her Lloyds account had also been compromised, and there's no evidence or explanation as to how anyone else would have known that money was being transferred into her account ten minutes prior to them making a payment.

I understand that Miss M says her social media was hacked. But it does not explain how the payment came to be made and authorised from her device using her security credentials. She has not said she was tricked into sharing her security details, for example, so it seems unlikely that anyone else could have made the payment from her device.

As a result, I don't consider Monzo has acted unfairly by failing to refund the disputed

payment in these circumstances, as I consider it more likely than not to have been authorised by Miss M.

Monzo also took the decision to close Miss M's account and gave her two months' notice, which is in line with its terms and conditions. I understand that Miss M may have been unhappy with this, but a bank is entitled to choose who it does business with. And given Monzo has given notice in line with its terms and conditions, I'm not persuaded it has acted unfairly by closing the account either.

Monzo has also offered £25 compensation in recognition of the service it provided to Miss M, as it failed to address the disputed transaction and fraud allegation within its final response. I can see how this would have been frustrating to Miss M, as it would have left her unclear as to whether this was still under consideration. However, I'm satisfied that £25 is a proportionate reflection of the trouble and upset this likely caused, so I will not be making any further award for this. Should Miss M wish to accept this offer, she will need to provide her account details to Monzo in order for it to be paid.

I understand this will likely come as a disappointment to Miss M, but I'm not persuaded Monzo has done anything wrong in these circumstances, so I will not be asking it to take any action.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 30 November 2022.

Jack Ferris  
**Ombudsman**