

The complaint

Miss N complains Monzo Bank Ltd won't refund her for transactions made using her card.

What happened

Miss N contacted Monzo, on 19 July 2022, to report a payment at Victoria Coach Station as one she didn't recognise. Miss N raised a further transactions as fraud on 24 July.

Miss N told Monzo she was in the UK when some of the transactions, in France, had taken place. Monzo didn't refund any of the transactions as it thought Miss N had authorised the payments. Monzo also told Miss N it would be closing her account.

Unhappy with this answer, Miss N brought her complaint to this service. An investigator looked into things and didn't think Miss N's complaint should be upheld.

The investigator thought it was more likely Miss N had authorised the payments. The investigator couldn't see how someone else had got hold of Miss N's card and personal identification number (PIN).

The investigator thought it was odd the card had been used in France a week earlier than Miss N says she went there. And the investigator noted not all the money in Miss N's account had been spent.

Miss N didn't agree, and said the spending pattern didn't match her usual usage of the card. Miss N said if Monzo had reacted sooner to her reporting the fraud it could have stopped some of the money being spent.

Miss N asked for an ombudsman to decide things.

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.

As a general rule it's fair for Monzo to hold Miss N liable for transactions where the evidence suggests she made the payments.

Monzo's supplied evidence to show the first transaction was contactless, the two in France were made by chip and PIN, and a fourth was contactless. This means Miss N's physical card must have been used for all the transactions.

When Miss N raised her first fraud claim, on 19 July, she said she still had the card in her possession. Miss N also said she'd just returned from a work trip and noticed the transactions.

When Miss N contacted Monzo the second time, on 24 July, she said she didn't have the card, and said she'd been isolating in a hotel room when the transactions took place.

On balance, I'm satisfied Miss N had her card on 19 July. This means someone must have been able to take Miss N's card, use it in the UK and France, and then return it to her without her noticing. And whoever had the card also knew Miss N's PIN.

I don't think this is very likely. I think it's more likely Miss N authorised these payments.

Miss N says Monzo could have stopped money being taken if it had reacted more quickly to her first fraud report. By the time Miss N raised her first fraud claim, 19 July, all the transactions she didn't recognise had been made.

I don't think Monzo could have done anything to stop any of the transactions. Monzo acknowledged it could have responded sooner to Miss N's fraud claim and paid her £30 to compensate for its slow response.

Monzo gave Miss N 60 days' notice of the closure of her account. This is in Monzo's terms and conditions. Monzo took the decision to close Miss N's account because it thinks she made the transactions she's raised as fraudulent.

In the specific circumstances of Miss N's complaint, I think this is a reasonable decision for Monzo to make. The technical evidence says Miss N's physical card was used, but it seems she had the card in her possession on 19 July.

And Miss N's two fraud reports to Monzo, on 19 and 24 July, are quite inconsistent.

Miss N sent in evidence to show she was in France the week after the unrecognised transactions took place, and I have no reason to doubt that.

But I still think it's more likely than not Miss N authorised the transactions she's raised as fraudulent, so it's fair for Monzo to hold her liable for them. And since I think Miss N authorised the payments, I don't think her previous spending pattern is relevant here.

My final decision

My final decision is I don't uphold Miss N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss N to accept or reject my decision before 19 January 2023.

Chris Russ
Ombudsman