

## The complaint

Miss T is unhappy that Monzo Bank Ltd won't refund payments she didn't make.

## What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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 outcome as our investigator for these reasons:

- In line with the Payment Services Regulations 2017 (PSRs), Miss T isn't liable for payments she didn't authorise, unless she failed with gross negligence or intent to comply with the terms of the account or keep her personalised security details safe.
- I've firstly considered whether Miss T authorised the payments. The PSRs explain a payment is to be regarded as authorised if she consented to it – and that consent must have been given in the form, and in accordance with the procedure, agreed between Monzo and Miss T.
- Monzo submit that because she went through some steps to set up Google Pay, she consented to all the payments from the fraudsters' device. But looking at the relevant terms and conditions, they suggest that Miss T consents to making card payments in person (which I understand these were) by tapping her device. Here it's clear she didn't do this – they were made on a different device in a different country. It follows that I'm not persuaded Miss T consented to these payments in accordance with the agreed form or procedure, meaning they're unauthorised.
- Monzo also submit that Miss T didn't have a reasonable basis of belief for acting the way she did. But that's language connected with the Contingent Reimbursement Model (CRM) Code, something that wouldn't be relevant for card payments or for unauthorised payments. As I've set out, Miss T could be held liable for unauthorised payments if she failed with *gross negligence* to comply with the terms of the account or keep her personalised security details safe.
- I don't think Monzo have shown that's the case here. Miss T was using the Vinted app and received a message saying she'd sold an item and to follow a link to receive payment. Miss T hadn't regularly used Vinted, so I can see why she was convinced by the message in the moment. And I don't think the URL looked so unusual that it ought to have rung alarm bells.
- On the website, Miss T shared her card details thinking it was to receive payment. I can understand why she was taken in by this – the website used Vinted's branding

and referenced the item she'd sold and how she should post it. I think lots of people would've acted the same way she did.

- Miss T said she didn't complete any steps in her Monzo app to set up Google Pay. But given there's no other persuasive way this could've happened, I think it's likely she did. I've noted from the screenshot she shared of the fraudulent website that it told her that she should 'allow the operation in the app' or from the notification she received. So I think it's likely she completed these steps without taking in what she was doing. And given my understanding that there's only one screen that references Google Pay and how quick the overall steps are to go through, I can see how this happened – particularly when Miss T had been primed to expect something to approve. I don't think it means she *seriously disregarded an obvious* risk.
- Monzo say that as Miss T read Vinted's terms and conditions, she should've known not to do anything outside the app. But I disagree that forgetting this in the moment means she acted with a *very significant* degree of carelessness.
- Taking this all into account, I don't think Miss T's actions fell *so far below* what a reasonable person would've done that she failed with gross negligence. So I conclude that she isn't liable for the transactions and Monzo needs to put things right – by refunding her losses from these unauthorised transactions alongside interest to compensate her for the time she's been out of pocket.
- Monzo should've have refunded this much sooner. It's clear Miss T was very distressed when Monzo told her the news that it wouldn't refund her, as it was money she saved for her children. So I agree with our investigator's award of £100 to reflect her non-financial losses.

### **My final decision**

For the reasons I've explained, I uphold Miss T's complaint. Monzo Bank Ltd must:

- Pay Miss T the total of the unauthorised transactions, less any amount recovered or already refunded – I understand this to be £555.15.
- Pay 8% simple interest per year on this amount, from the date of the unauthorised transactions to the date of settlement (less any tax lawfully deductible).
- Pay £100 for Miss T's distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 8 March 2023.

Emma Szkolar  
**Ombudsman**