

The complaint

Mr Q complains Monzo Bank Ltd won't refund him for a payment he didn't make.

What happened

Mr Q went on holiday and on the way back his card was used without his authorisation. Mr Q raised this fraud with Monzo, and it refunded the payment temporarily. Monzo carried out an investigation and decided Mr Q had authorised the payment, so it took back the refund.

Monzo sent Mr Q a final response and said it had information from the airline Mr Q had used, and he'd confirmed he had use of goods and services supplied. Monzo said Mr Q should dispute things with the airline.

Unhappy with this response, Mr Q contacted Monzo by secure messaging. Mr Q thought Monzo had lied in its final response, Mr Q had never said he'd had use of any goods and services in relation to this payment.

Mr Q and Monzo exchanged several messages and calls on this point, but Mr Q wasn't happy with the response, so he brought his complaint to this service.

An investigator looked into things and didn't think Mr Q's complaint should be upheld. The investigator said the payment Mr Q had made was likely for excess baggage on the return flight, and Mr Q had said he handed his card over to airline staff.

The investigator thought Mr Q had authorised the payment, so it was fair for Monzo to take the refund back.

Mr Q disagreed, and felt the investigator had taken the easy route and simply agreed with the bank. Mr Q thought the investigator hadn't been impartial and 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, Monzo can hold Mr Q liable for a payment where the evidence suggests he authorised, or consented to, the payment.

I need to decide whether I think Mr Q authorised or consented to the payment. And I can do this on the balance of probabilities, what's more likely to have happened.

Mr Q doesn't dispute he used the airline that took the payment he says isn't authorised, and there's no dispute Mr Q was at the airport on the day the payment was taken.

When Monzo disputed the payment, the airline responded to say the details it had for Mr Q matched what Monzo held. Because of this the airline refused to refund the payment.

Mr Q says the airline had all his personal details because he'd taken flights with it, and this is what Monzo's relied on when it took back the refund it had given him. But I don't think Monzo's only relied on this.

When Mr Q reported the fraud to Monzo he said the airline "took card off me at the airport and charged incorrectly". And, further, the airline "took card off me unwilling".

It's not normal practice to give an airline your bank card when checking in for a return flight. The investigator is correct when they say the amount Mr Q was charged appears to be for an excess baggage penalty.

I think it's more likely Mr Q had bags heavier than he should have had, on his return flight. And I think it's more likely the airline wouldn't check Mr Q in until he'd either removed the excess baggage or paid for it.

I think it's very likely Mr Q handed his card over to the airline staff knowing he'd be charged something. I don't dispute Mr Q was unhappy at having to pay this, but this doesn't make the payment one he hasn't consented to or make the payment fraudulent.

There's a difference between authorisation and consent. Mr Q didn't enter his personal identification number (PIN), so I can't say he authorised the payment. But I do think Mr Q consented to the payment, and he did this by handing the airline his card.

Mr Q could have refused to hand his card over. I think it's likely this would have meant he couldn't check in or get on the return flight, but the option was open to him. And Mr Q had the option of disputing the payment, via chargeback, after he'd paid.

Monzo raised a chargeback, and this was defended by the airline. This meant the temporary refund Monzo had given Mr Q needed to be taken back.

It may be Mr Q feels the airline has acted fraudulently, by taking a payment it shouldn't have.

But this doesn't make the payment one Mr Q didn't consent to. I think Monzo's correct when it says this is a payment Mr Q needs to take up with the airline, I don't think it's fair for Monzo to refund this payment.

Monzo said, in its final response, Mr Q had confirmed he'd received goods and services in return for the payment made. I'm not sure Mr Q did say this, and I can see how strongly he feels about this statement and what happened.

But I have to balance this with my thinking that Mr Q knew he'd handed his card to the airline and knew he was going to be charged something. Whilst I don't think Monzo handled things that well around clarifying its final response, I think Mr Q should have known this was a dispute with the airline over the fairness of the payment and not fraud.

By persisting with a fraud claim, when Mr Q knew he handed his card over, I think Mr Q failed to mitigate any of the poor service he might have received.

I think Mr Q consented to the payment he's disputed. I think Mr Q's complaint lies with the airline, not Monzo, so it would be unfair for me to tell Monzo to refund this payment.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Q to accept or reject my decision before 9 May 2023.

Chris Russ
Ombudsman