

## **The complaint**

Mr H complains that Monzo Bank Ltd ('Monzo') won't refund transactions he says were unauthorised and with its decision to close his account and hold him liable for an overdraft.

## **What happened**

Mr H says he is the victim of identity theft and that unauthorised transactions were made on his account. On 21 July 2022 he contacted Monzo through its chat function and said his account had been hacked and he didn't recognise transactions made between 12 May and 24 June. On 12 May 2022 Mr H transferred £8,000 into his Monzo account. After this there were a number of cash withdrawals abroad and faster payments to individuals Mr H said he didn't recognise.

Monzo said it believed Mr H was aware of the transactions he disputed and had breached the terms and conditions of his account. It closed Mr H's account without notice. At the time Monzo closed Mr H's account it was overdrawn by £180.92. Monzo asked Mr H to repay this sum and said if he didn't do so it would default the account.

Mr H wasn't happy with Monzo's response and brought a complaint to this service. He said he's the victim of fraud but has been treated like a criminal. Mr H says the experience has had a huge impact on his health and finances. He'd like Monzo to repay the £8,000 that has left his account, write off the overdraft and pay compensation for the distress and inconvenience it has caused.

### *Our investigation so far*

The investigator who considered this complaint didn't recommend that it be upheld. He said the evidence available suggested that Mr H knew about the transactions he has claimed to be fraudulent, and he hadn't provided any explanation for how a third party knew his log in details. The investigator noted that Mr H told Monzo his partner was using his account while his mum was ill, and the only devices used to log into the account were Mr H's and the one used at this time – which was also used to make the disputed transactions. The same device had also been used to answer some of Monzo's queries when the claim was made.

Mr H didn't agree with the investigator's findings, so his complaint has been brought to me to consider. In summary, he said:

- He wasn't involved in the transactions – he has never been to the country the cash withdrawals were made in and doesn't know the recipients of the transfers.
- He hasn't shared his card or PIN and didn't have a partner.
- He's disappointed the investigator didn't take into account that he's the victim of identity theft
- Mr H provided information from the Financial Conduct Authority's website about unauthorised transactions and scams.
- He didn't send the messages to Monzo about the disputed transactions.

## **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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time. Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence.

Generally, Monzo can hold Mr H liable for the disputed transactions if the evidence suggests that it's more likely than not that he made or authorised them himself.

I'm sorry to disappoint Mr H but I have reached the same conclusion as the investigator and for broadly the same reasons.

I have carefully considered all the available evidence and can see that from 13 March 2022 a different mobile device was used to access Mr H's Monzo account (as well as his usual device) and that this resulted in Mr H's account being blocked. On 14 March 2022 Mr H said to Monzo in its chat that his phone died, and he had tried to enter his account using his partner's phone. Mr H asked that Monzo unblock his account.

Mr H asked Monzo to reset his account again on 18 March 2022. He was asked if he'd recently changed his mobile. Mr H confirmed that he hadn't but that it may be his partner's phone that was used. Mr H went on to ask if he could add his partner's phone and details to the account and was told it wasn't possible and that only Mr H should have access to the account. Looking at Monzo's audit report I can see that the same device that was used on 13 March (and was identified as Mr H's partner's phone) was also used on 17 March 2022 before Mr H's request to unblock his account.

Mr H contacted Monzo to unblock his account again on 24 March. Monzo's records show that the device used previously, that Mr H identified as his partner's, was also used on 23 and 24 April 2022. And on 25 April Mr H told Monzo his partner had permission to use his card at the time because he was with his mum who was unwell. Mr H asked Monzo not to keep blocking his account as his partner was using it.

Mr H continued to experience problems with his account being blocked by Monzo meaning that he had to follow security procedures to reset the account. I can see that this happened when Mr H's Monzo account was accessed from his partner's phone. Mr H became frustrated at having to contact Monzo and follow security procedures each time his partner's phone was used to access his Monzo account and complained to Monzo. He asked Monzo to unblock his account and allow all payments in and out of the account.

Each time Mr H's account was blocked, and he had to contact Monzo to unblock the account, he was required to follow security procedures and his identity was verified. On a number of occasions Mr H was required to take a video for identification purposes (including during the period of the disputed transactions). So I'm satisfied that it was Mr H that contacted Monzo when his account was blocked.

I have set out quite a lot of detail here because I've seen evidence that confirms the disputed transactions in this case were made from the device Mr H has identified as his partner's. Given everything Mr H told Monzo, I consider it fair to conclude that Mr H was aware that his partner was logging into his account and consented to him doing so. So I'm satisfied the transactions were authorised meaning that the FCA advice Mr H referred me to about unauthorised transactions isn't relevant to this case.

The IP address used on the occasions Mr H said his partner's phone was used to log into his account has been used consistently from March 2022 until the account was closed, including during communications with Monzo about the disputed transactions. When this point was raised with Mr H, he said he didn't send messages to Monzo about the disputed

transactions. I find this unlikely though, especially given the messages came from more than one IP address and Mr H knows all about his complaint.

I also find it strange that a large sum was credited to Mr H's account immediately before the disputed transactions took place and that Mr H didn't notice them until around ten weeks after they started.

I'm aware that there were also cash withdrawals abroad. Whilst I've seen evidence which confirms that Mr H didn't travel abroad during the period when the withdrawals were made, that doesn't mean he didn't authorise them.

Mr H says he hasn't shared his card or security details with anyone else, and there's seemingly no explanation as to how his details came to be compromised. In the circumstances, the only plausible conclusion is that either Mr H made the transactions himself, or gave his card and details to somebody else, thereby giving his consent and authority for payments to be made on his behalf. Mr H confirmed in the chat with Monzo that his partner had access to his card and permission to use it, so it seems more likely to me that Mr H allowed someone else to use his card to make the cash withdrawals. And although Mr H says the police confirmed he's the victim of identity theft he hasn't provided any evidence of this.

#### *Account closure*

Monzo made the decision to close Mr H's account without notice. It says that in doing so it has relied on its terms and conditions. These state that Monzo may close an account with immediate effect if a customer has given a third-party control of a Monzo account, phone, card or PIN. The evidence I have seen leads me to believe it's more likely than not that Mr H shared his log in details, card and PIN. So I consider Monzo acted reasonably and in accordance with the terms and conditions of the account in closing it without notice.

#### *Overdraft*

Given what I have said above it follows that I consider Monzo acted reasonably in holding Mr H responsible for the overdraft on his account when it was closed. I also think Monzo was right to communicate with Mr H about the outstanding sum and to make him aware of the consequences of not paying it.

Overall, I'm satisfied Monzo acted fairly and reasonably in this case.

#### **My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 3 April 2023.

Jay Hadfield  
**Ombudsman**