

The complaint

Mr B complains that Monzo Bank Ltd refused to refund transactions he didn't authorise on his account.

What happened

On 31 May 2022 Mr B contacted Monzo to explain he had noticed 11 transactions on his Monzo account which he didn't authorise. Some of the transactions were not processed and refunded Mr B's account. However, the following transactions remain in dispute:

Date of transaction	Merchant	Amount	Authorisation Method
26 May 2022	Curry's	£349.99	3D Secure
26 May 2022	Curry's	£544	3D Secure
27 May 2022	JD Sports	£691.99	3D Secure
27 May 2022	Hotspot Mobile	£650	Chip and PIN
27 May 2022	Hotspot Mobile	£20	Contactless
27 May 2022	Crouch End Food Central	£22.58	Contactless

Monzo carried out a review of the transactions and Mr B's account. Following this it explained to Mr B that it would not be refunding the transactions as it hadn't found any evidence that they were carried out fraudulently. In particular it said the transactions had been verified by Mr B using the chip and PIN or on his registered device using the necessary 3DS – which involved entering a secure passcode. It also noted that funds were transferred into his account from a different savings account in order for the transactions to be made.

Mr B was dissatisfied with Monzo's response and maintained that he did not authorise the transactions. Mr B says a third party, who was with him at the time must have carried them out. Mr B referred his complaint to our service.

An Investigator reviewed Mr B's complaint and found that Monzo had acted reasonably. They explained that based on the available evidence they hadn't seen anything to show that the transactions were carried out by a third party.

Unhappy with the investigator's review, Mr B asked for his complaint to be reviewed by an ombudsman.

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.

I'm aware that I've summarised this complaint briefly. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. This simply reflects the informal nature of our service.

Firstly, I am sorry to see Mr B has had cause for complaint. I don't underestimate the worry and anguish this situation has caused, and also the stress of dealing with the complaint about it.

The relevant law here is the Payment Services Regulations 2017, and broadly speaking Mr B is responsible for any payments that he has authorised (either by making them himself or allowing someone else to) and he isn't responsible for unauthorised payments. Essentially if Mr B made the disputed transactions himself or authorised them to be made on his behalf, it would not be fair to ask Monzo to refund them. Throughout Mr B's complaint he has maintained that he was in possession of his phone, which was the registered device for his account, when the disputed transactions were carried out. Mr B has however said he left his debit card in his flat during the period when the transactions took place, and that his PIN was written down somewhere in his flat too. Mr B says there was a third party at his flat at the time, who he says was trying to influence him.

Monzo has provided internal information which shows the transactions were funded by Mr B moving money between his other accounts with Monzo. Funds had entered the relevant account to ensure there was a sufficient balance for the purchases. This movement between accounts occurred just before the disputed transactions took place. This suggests a level of planning and awareness on Mr B's part about the transactions. In addition, Monzo's evidence shows the transactions were authorised using chip and PIN, or by Mr B entering a passcode that was sent to his registered device as part of its 3D security system.

All of this evidence means that who authorised the transactions would've had to be been able to access Mr B's online Monzo accounts to move money around. They would've also had to be able to access Mr B's debit card, know his PIN and be able to access his mobile device to enter the relevant passcode. I haven't seen any evidence which shows that a third party would've been able to carry out these transactions without Mr B providing his authority. I can also see that prior to the last two disputed transactions, non-disputed ATM cash withdrawals were made from Mr B's account. This confirms that Mr B was in possession of his card and using it as normal.

Mr B has referred to a third party who was at his flat the time and says this individual tried to influence him and carry out financial abuse. I've thought about Mr B's comments carefully. Mr B's recollection of events has been contradictory as he says he didn't make the transactions, but also that he was being influenced by a third party. The lack of detail and consistency in Mr B's comments, alongside the pattern of the transactions means I am not persuaded they were carried out in the way Mr B suggests.

Overall, having considered everything, all of the available evidence points to it being more likely than not that Mr B carried out the transactions himself. I realise that this is not the outcome Mr B was hoping for, and he will be disappointed by the decision I've reached. As such, I cannot fairly and reasonably require Monzo to take any further action in relation to this matter. This final decision ends what our service can do for him. However, Mr B can reject my decision and pursue the matter elsewhere if he wishes to do so.

My final decision

My final decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 February 2023.

Chandni Green

Ombudsman