

## The complaint

Mr R complains that Monzo Bank Ltd hasn't refunded two payments that were debited from his account.

## What happened

In October 2021, Mr R went on a cruise with a company I'll call "C". He says he was asked to provide a payment card which C could place a \$100 USD 'holding charge' on. He says C told him the holding charge wouldn't debit his account. When Mr R returned from the cruise, he saw that C had debited two amounts from his account. One was for £11.62 (\$15.99 USD) and one was for £72.80 (\$100 USD).

Mr R says he complained to C who told him that the holding charges shouldn't have debited his account. It said that Mr R's bank (Monzo) should be able to refund the debits to him. Monzo asked Mr R for evidence that C had agreed to refund the two debited amounts. It then told Mr R that it couldn't request a refund because C had already refunded him. It said that C had placed a refund of £205.99 onto his account.

Mr R said the refund of £205.99 was unrelated to the two holding charges. He pointed out that it was for an entirely different value. He said while he had been on the cruise, C had announced that it would provide a refund of port taxes which for Mr R totalled \$166.31 USD. He said this is what the refund of £205.99 related to, not the holding charges.

Monzo said that it couldn't process a chargeback through the card scheme for a refund because C had refunded Mr R during the same 'lifecycle' of the payment and as he'd received more than the charges, there was nothing left to chargeback.

Mr R complained to Monzo, but it didn't agree it had acted unfairly in relation to his request for a refund. However, it agreed to pay him £40 compensation for the poor way it had communicated with him throughout his requests for the refund.

I sent Mr R and Monzo my provisional decision on 18 January 2023. I explained why I didn't think the complaint should be upheld. I said:

*Mr R's account was debited a total of \$115.99 USD by C, which equated to £84.42 after the various exchange rates were applied on those days. He was then refunded an amount of £205.99 by C. Mr R's Monzo account statement said that this was the equivalent of \$166.31 USD – the amount he was expecting for the refund of taxes. However, the information on the account statement was clearly incorrect. \$166.31 USD would never have equated to £205.99, the sterling amount would always be lower than the dollar amount. So clearly the refund was for a much more significant amount (in USD) than just \$166.31 USD.*

*Monzo hasn't been able to provide the exact exchange rate that would have applied on the day Mr R received the refund into his account. However, using the approximate interbank exchange rate that applied on the day, \$166.31 USD would have been equivalent to approximately £121.49. If I also include the two other*

*refunds that were due from C this totalled \$282.30 USD. At the approximate interbank rate on the day Mr R received his refund, this totalled approximately £206.22 – a difference of only 23 pence to what he received.*

*Mr R is unlikely to have been entitled to the interbank rate as the card scheme is unlikely to have used that particular rate. However, it will have used one that was close to it. And given that the difference between what Mr R received and what the interbank rate on the day was, I'm satisfied that the refund he received from C included the refund of taxes as well as the two 'holding charges'. He therefore has already received everything he was due to receive from C.*

*Monzo ought to have spotted this much sooner and explained the situation clearly to Mr R. Further, the information on the account statement it provided to Mr R was wrong which has contributed to the confusion that's been caused. So, I think Monzo's actions did cause unnecessary distress and inconvenience to Mr R.*

*However, I'm mindful that Monzo has already compensated Mr R £40 and Mr R hasn't suffered any financial loss as he did receive the refunds he was entitled to. So, taking everything into consideration, I'm satisfied that the amount Monzo has already compensated Mr R is fair and reasonable in the circumstances. I therefore don't think it needs to do anything further to put things right.*

Mr R didn't agree. He said the refunds were for something different, not the holding charges. He said that prior to me issuing the provisional decision, Monzo had decided to refund him the holding charges. He asked me to change my decision to reflect that Monzo had accepted liability.

Monzo didn't respond to my provisional 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.

Mr R says Monzo has accepted liability and refunded him the holding charges. While I've not had sight of any correspondence relating to that, it doesn't change the conclusions I reached in my provisional decision. As I set out above, Mr R had clearly already received the refunds he was entitled to from C.

Mr R hasn't provided any arguments or evidence to demonstrate why my analysis of the refunds and the exchange rates that applied to them might be incorrect. I've therefore seen no reason to reach a different finding. If Monzo has now refunded Mr R a further amount, it seems he's received more money back than he was ever entitled to. I therefore don't think Monzo has acted unfairly or unreasonably towards Mr R.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

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

Tero Hiltunen  
**Ombudsman**