

The complaint

Mr H complains Monzo Bank Ltd didn't help him when he became the victim of a scam whilst abroad.

What happened

Mr H had an account with Monzo Bank with a debit card – he's closed the account since bringing this complaint given Monzo Bank's response which he says was extremely poor.

In October 2022 Mr H told Monzo Bank that he'd been buying drinks in a bar the previous evening and that there were two transactions for €350 that he didn't recognise. He says Monzo Bank told him to raise a fraud claim at first – which he did – and then told him that he'd have to raise a dispute with the bar. Mr H says he'd already returned home by then and there were no contact details for the bar online, so he wasn't able to contact them. Monzo Bank said it couldn't help him if he didn't. That was in November 2022. Mr H complained to Monzo Bank saying that he'd been the victim of a scam and it wasn't helping.

Monzo Bank looked into Mr H's complaint but didn't uphold it. Monzo Bank said that it couldn't treat the payments as fraudulent as he'd made them using his card and PIN, and that in order to raise a chargeback it would need evidence of the amount Mr H should have been charged. Mr H was unhappy with Monzo Bank's response and complained to us.

One of our investigators looked into Mr H's complaint and said that they didn't think Monzo Bank had acted unfairly. Mr H didn't agree and asked for an ombudsman to look into his complaint. He also wanted to speak to the ombudsman before they issued their decision. His complaint was passed to me.

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.

Before issuing this decision, I spoke to Mr H to get a better understanding of his complaint. He told me that he'd visited a bar with three of his friends, it was the last day of their holiday and he was responsible for buying all the rounds that evening. He also told me that he wasn't drinking alcohol, nor were most of his friends. I accept all of that. He told me that he believes he was the victim of a scam and that he believes the bar changed the amount he'd agreed to pay after he'd inserted his PIN or swiped his card a second time. He also told me that he accepts Monzo Bank wasn't the one that had scammed him, but that Monzo Bank didn't help him and instead started blaming him. He didn't think Monzo Bank had told him to raise a chargeback but said this had happened over six months ago so he couldn't recall everything.

Having looked at Mr H's chat history with Monzo Bank, I can see that Mr H sent a dispute form to Monzo the morning after he'd visited the bar about the two transactions he's complaining about. He said that he didn't recognise them and wanted to dispute them as fraudulent. Monzo Bank got back to Mr H quickly to say that it wasn't able to raise a dispute

as his form contained conflicting information. It's not entirely clear what Monzo Bank was referring to here, but it's possible that Monzo Bank was trying to work out whether these transactions were ones that Mr H had authorised but for which he'd been charged the wrong amount or ones that he hadn't authorised and didn't recognise. I can, however, see that Monzo Bank asked Mr H for more information about what had happened. Mr H has told me that he flew back to the UK later on that day. He contacted Monzo Bank a couple of days later – having returned to the UK – asking for an update on his claim. Monzo Bank again asked Mr H for more information about what had happened. I can see that Mr H told Monzo Bank that his card hadn't gone out of his possession and said he'd been tricked into believing that the transaction hadn't gone through when what the bar was really doing was typing €350 into the terminal. He said the bar had shown him the screen for small amounts then turned it around and changed the amounts saying it hadn't gone through. I can see that Monzo Bank told Mr H that it would have to raise the dispute as a chargeback as he'd authorised the transactions so they couldn't be treated as fraudulent. Monzo Bank said that it would need, amongst other things, that he'd contacted the merchant in attempt to resolve the matter and evidence showing how much he should have been charged in order to raise a chargeback. That was four days after Mr H had originally raised the dispute.

I don't think it was unfair or unreasonable of Monzo Bank to say that the only way it would be able to help Mr H would be by raising a chargeback based on what he'd told them, and the evidence that it had about the way the two transactions were done. The bar wouldn't have been able to change the amount it was charging Mr H after he'd put his PIN in, and Mr H had said that his card hadn't been out of his possession. Both transactions were, in other words, authorised using Mr H's genuine card and PIN. Nor do I think it was unfair or unreasonable of Monzo Bank to say to Mr H that he'd need to contact the merchant in an attempt to resolve the matter and – if that was unsuccessful – and evidence to show how much he should have been charged in order to raise a chargeback. I say that because that's the type of evidence that Monzo Bank would have needed in order to attempt a successful chargeback claim. I can see that Mr H said he didn't want to contact the bar as what had happened was making him feel anxious – and that he subsequently let Monzo Bank know that there were no contact details for the bar online so he couldn't contact them even if he wanted to. I can see also that Monzo Bank considered attempting a chargeback claim without evidence that Mr H had raised the dispute with the bar first because it could also see there were no contact details for the bar online, but that it didn't go ahead because Mr H had said he didn't have any evidence to show that the amount he should have been charged apart from the evidence that he'd paid significantly less for the other rounds he bought. I don't think this was unreasonable or unfair of Monzo Bank given the way the chargeback scheme works.

Mr H's card was used eight times over a period of three hours in the bar on the night in question. I'm satisfied that each time the card was used Mr H was buying a round of drinks. In other words, that he bought eight rounds of drinks. I say that because each of the transactions was approximately a quarter of an hour apart. On six occasions he was charged between €20 to 30 and on two occasions he was charged €350. In other words, I can see that on two occasions he was charged a lot more. That might well be because Mr H was scammed, but the evidence suggests that he authorised these amounts because he inserted his PIN. Mr H told me when I spoke to him that he was in a bar and so wouldn't necessarily have thought to check the amount he was being asked to pay. I can understand why he said that, but it does make it difficult for Monzo Bank to claim these amounts back, particularly if he doesn't have a receipt to show how much he was meant to pay or evidence to show he's been charged the wrong amount. In the circumstances, I agree that this complaint isn't one we can uphold.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 July 2023.

Nicolas Atkinson
Ombudsman