

The complaint

Miss F complains that Monzo Bank Ltd (“Monzo”) won’t reimburse two payments sent from her account which she didn’t make or otherwise authorise.

What happened

The detailed background to this complaint is well known to both parties, so I won’t repeat it again here. Instead, I’ll provide an overview and focus on giving my reasons for my decision.

- Miss F received a call from someone purporting to be from Monzo. They said they’d called in relation to fraudulent transactions on her account. Miss F states the caller already knew some of her details, like her Monzo card information. She explains that two weeks prior, she’d clicked on a link in a text message and entered her card details to arrange redelivery. But it was a phishing scam.
- Miss F states she couldn’t see the transactions the caller had mentioned but was told that the fraudster had made attempts. The caller asked her to move money from her ‘savings pot’ into the main account to safeguard the funds. Miss F says the call ended and later that day she received a similar call – this time from a different bank she also has an account with. She says that at that point she noticed she couldn’t log on to her Monzo app.
- The next day, Miss F contacted both banks. When she checked her Monzo account, she noticed two transactions to a retailer – £249 and £30 – had debited her account. Monzo declined to refund the money and said it wasn’t possible for the transactions to have been made without her authorisation. It later clarified that the transactions were completed through Apple Pay on another device, but Miss F had approved the setting up of Apple Pay on that device through her Monzo app.
- Miss F referred her complaint to our service and said she didn’t approve anything on her app at the time as she couldn’t access it. Our investigator concluded that there were discrepancies in the sequence of events as described by Miss F. As such, they couldn’t fairly conclude that the transactions were considered unauthorised under the relevant regulations. Miss F didn’t agree and asked for an ombudsman to review the matter.

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’d like to reassure the parties that although I’ve only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I’ve read and considered everything that’s been provided.

Having done so, I’ve decided not to uphold it for the following reasons:

- Where there's a dispute about what happened, and the evidence is incomplete or contradictory, I must make my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence.
- In line with the Payment Services Regulations 2017 (PSRs), broadly speaking, Miss F isn't liable for payments she hasn't authorised, unless she failed with intent or gross negligence to comply with the terms of the account or keep her personalised security details safe. And Miss F is liable for payments she's authorised.
- Generally, Monzo can hold Miss F liable for the disputed transactions if the evidence suggests it's more likely than not that she made or authorised the transactions herself.
- Monzo has explained that to add Apple Pay on an Apple device, in addition to entering the associated card's information on that device, an approval is also required. This can either be in the form of a One Time Passcode (OTP) which is sent to the customer's registered phone number, or approval via their Monzo app. Monzo has provided technical evidence which shows that the Apple Pay token that was used to make the disputed transactions was approved through Miss F's Monzo app on her device. So, as far as authentication goes, I'm satisfied that the disputed transactions were authenticated correctly given that the Apple Pay token that was used was set up using Miss F's credentials.
- But the PSRs say that authentication isn't, on its own, enough for Monzo to hold Miss F liable. I also need to think about whether the evidence suggests that she, or someone acting with her authority, consented to the transactions being made. To decide whether Miss F – or someone acting with her authority – made the transactions, I've carefully considered what she's told us about what happened. And I've considered that in conjunction with a review of the available evidence.
- Miss F submits that she didn't approve the Apple Pay set up on her Monzo app. She says she was unable to log on to the app at the relevant time. Miss F has also said the caller only asked her if she used Apple Pay – there was nothing said about setting up or approving a new token. The difficulty I have with Miss F's submission is that the technical evidence shows that the approval happened on her device. And she's confirmed no one else had access to her device.
- The evidence shows that the in-app approval happened at 14:37 on the day in question. But, according to the call log information provided, Miss F's conversation with the individual purporting to be from Monzo ended nearly three-and-a-half hours earlier. We also know that a text confirming that Apple Pay had been set up was sent to Miss F's phone at the time, and she confirmed receiving it when questioned by the investigator. Yet, given the circumstances that have been put forward, Miss F doesn't appear to have reported the matter to Monzo until the following day.
- More recently, Miss F has told us that she deleted the card and added it again a few times (I presume she's referring to setting up Apple Pay on her device). As the investigator pointed out, and I agree, this is new submission from Miss F which contradicts what she's previously told us about not completing any approval or verification on her Monzo app. It's also worth pointing out that the technical evidence shows that Apple Pay was set up on a different device, not Miss F's. So, what she's told us about adding Apple Pay to her phone doesn't match with the evidence on file.

- There's another discrepancy that I consider important to highlight. Miss F says she transferred funds from her savings pot while still on the call. But Monzo's records show that the transfer took place at 14:39, which is several hours after the call ended and is two minutes after the Apple Pay token was approved on the Monzo app on her phone. So, things don't add up.
- I think there may be more to what happened that day than what Monzo and our service have been made aware of. But Miss F has told us that there's nothing more she can recall or further evidence she can provide.
- I've carefully considered the available information. I can't say for sure what happened. But I only have to reach a decision based on the balance of probabilities, i.e., what I think is more likely than not to have happened. I've weighed up everything and given the discrepancies I've noted above and a lack of plausible explanation, I can't fairly conclude that the transactions were unauthorised. So, it wouldn't be fair or reasonable of me to tell Monzo to reimburse the disputed transactions.
- I've gone on to consider whether Monzo should have noticed from the transactions that something didn't look right and intervened before they were completed. I do recognise that Miss F lost £279. But I don't consider the individual transaction amounts were *that* unusual such that I think Monzo ought to have paused and made enquiries. Considering Monzo's wider responsibilities, I don't think it ought to have regarded the transactions as suspicious or an indication that Miss F might have been at the risk of falling victim to a scam. So, I don't consider it was unreasonable for Monzo to have released the payments.

In summary, I recognise that this will come as a considerable disappointment to Miss F. But in the circumstances, I'm not persuaded that Monzo can fairly or reasonably be held liable for her loss.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 11 January 2024.

Gagandeep Singh
Ombudsman