

The complaint

Mr B complains that Monzo Bank Ltd has declined to refund transactions that he says he didn't make or allow anyone else to make.

What happened

Mr B, a sole trader, has a business account with Monzo. He's disputing four payments totalling around £5,000 made from this account which were all made to a bar in Poland on 24 and 25 February 2023.

Mr B says that he was in Poland at the time and had bought a round of drinks using an account he holds with a different bank, but he didn't make these payments. He says someone moved money from other accounts he holds into his business account with Monzo and then used those funds to make the disputed payments. Mr B says the activity on his account should have looked suspicious to Monzo.

Monzo says that Mr B's Monzo debit card was added to Google Pay on 24 February 2023, and that this was approved in Mr B's mobile banking app. This was then how the disputed payments were made.

Mr B says that he doesn't remember approving anything in this Monzo banking app or being asked for any information or to make payments. And that his phone remained on him.

Monzo declined Mr B's claim and said that the timeline of events meant it wasn't possible for someone else to have authorised them. It also gave Mr B two month's notice that it would be closing his account. Mr B complained about this but Monzo said it had acted correctly in the circumstances.

When Mr B referred the matter to our service, the investigator didn't uphold the complaint. In summary they said that there was no plausible point of compromise for Mr B's phone or mobile banking passcodes to explain how a third party could have been able to approve setting up Google Pay in his Monzo app. So, they didn't think Monzo had acted unfairly in declining Mr B's claim. They also said Monzo had given notice to close Mr B's account in line with the account terms and conditions.

Mr B didn't accept this, he said he didn't set up Google Pay or make the transactions.

So, the matter has been passed to me to decide.

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.

Having done so, I'm not upholding this complaint for the following reasons:

- The disputed transactions all took place using a newly set up Google Pay token. As part of setting this up, the token was confirmed in Mr B's Monzo banking app.

- Mr B's Monzo banking app was only set up on one device and this was the same one as when the account was first set up earlier that month. So, the evidence supports that Mr B's genuine phone was used, and that his secure passcode was used to set up Google Pay.
- Mr B says that he had his phone in his possession, and that he doesn't remember approving anything in his Monzo app or sharing this secure information. Unfortunately, this is inconsistent with the evidence available. And so, I don't think Monzo has been unreasonable in concluding that Mr B did set up Google Pay and in treating the payments as authorised.
- Whilst it is possible that Mr B's involvement didn't extend to making each payment himself, based on what he's told us I can't fairly conclude that it's more likely than not that he wasn't aware Google Pay had been set up, and therefore that payments could be made. And it wouldn't be appropriate for me to attempt to establish which payments I think Mr B potentially was and wasn't aware of given he's told us he wasn't aware of any. This is relevant because Mr B has asked us to consider why Monzo didn't identify the activity as suspicious in the circumstances. But in order for me to make an award on this basis I would need to conclude that an appropriate intervention likely would have led to at least some of the payments being prevented. And as I've said, the information I've been provided with doesn't support a clear point at which Mr B stopped consenting to the payments being made.

So, for the reasons above I think Monzo has fairly declined to provide Mr B with a refund in the circumstances.

Mr B has also expressed dissatisfaction around Monzo's decision to close his account. Under the relevant terms and conditions, Monzo can do so provided it gives two months' notice of its intention to do so. Monzo did that here and on the information available I can't see that it has applied this unfairly. I've thought about what Mr B has said about this and his experience with Monzo, but in the circumstances I don't think Monzo needs to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

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

Stephanie Mitchell
Ombudsman