

## **The complaint**

Mr F complains that Monzo Bank Ltd refuses to refund transactions that he says he didn't authorise or consent to.

## **What happened**

The background to this complaint is well known to both parties, so I'll only summarise key events.

Mr F reported to Monzo that he had strange activity on his account from September 2022 to December 2022. He says funds were moved out of his savings pot and then payments were made out of his account without his consent. Monzo declined to refund Mr F's payments. One of our Investigators looked into things. She asked Mr F for further information about the transactions he disputed but he declined to respond. She explained that as there were no failed PIN attempts or points where Mr F's security credentials could be compromised, she couldn't conclude an unauthorised third party could have carried out the disputed transactions. She also explained the transactions had occurred over a period of time, with genuine transactions in between, which wasn't indicative of fraud.

Mr F didn't agree and our investigator arranged for the complaint to be passed to an Ombudsman to make a final decision.

Before issuing this decision, I wrote to Mr F to explain my initial thoughts. I also explained that Monzo had offered to pay him £50 compensation for its fraud team failing to contact him until a week after his report. Mr F didn't provide any commentary on Monzo's offer but explained that he wanted his money to be returned.

## **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 don't uphold this complaint and I'll explain why.

The relevant regulations for Mr F's disputed transactions are the Payment Service Regulations 2017. These say that the payment service provider (here, Monzo) must show the transactions were authenticated. That's the technical part, and here, Monzo has provided technical information from which I can see that the disputed transactions which Monzo refuses to refund, were carried out using Mr F's genuine card and security credentials. So the disputed payments were authenticated.

The regulations also say that it's necessary to consider whether the cardholder (in this case Mr F) authorised the payments. Generally, the bank is liable if the customer didn't authorise the payments and the customer is liable if they did authorise them. So I've gone on to consider whether it's more likely than not that Mr F authorised the disputed payments. From the evidence I've seen, Mr F told Monzo he still had his card in his possession. But the technical evidence shows that the disputed transactions were carried out using the genuine

physical card and the PIN was correctly entered on each occasion. Our investigator asked Mr F multiple questions to try to ascertain whether another third party could have accessed his card, he didn't reply to the questions. And so, this is the fundamental problem with Mr F's argument that he didn't authorise the transactions.

Mr F told Monzo that he still had his card and hadn't disclosed his PIN. There were also undisputed transactions that took place in between the disputed transactions. At the time of the disputed transactions, there were balance enquiries but the full available balance or maximum ATM withdrawals were not attempted. This isn't indicative of fraud. And there's simply no plausible explanation as to how an unknown third party could have accessed Mr F's security information and had the opportunity to take and replace his card without him knowing in order to carry out the transactions.

For these reasons, I think it's most likely that Mr F carried out the disputed transactions himself. So I don't require Monzo to refund him.

Monzo offered Mr F £50 for its delay in the appropriate team responding to Mr F's fraud claim. As Mr F made no comment on Monzo's offer of compensation, I make no finding on this point. Should Mr F wish to accept this offer, he should contact Monzo directly so it can arrange the payment.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 25 October 2023.

Dolores Njemanze  
**Ombudsman**