

## The complaint

Mr H complains that Monzo Bank Ltd won't refund a number of payments made out of his account, which he says he didn't make.

## What happened

Between the end of 2021 and the middle of 2022, a number of payments were made from Mr H's Monzo account which he says he didn't make. Mr H thinks someone else has been using his card and has also mentioned that his phone was hacked and that he's been having issues with his accounts with several websites. Once he noticed the payments, he reported them to Monzo and asked it to refund the money he had lost.

Monzo investigated but said it couldn't see how Mr H's card details were compromised, and so it didn't agree to refund the payments he was disputing. Monzo did accept that the process of reporting the payments had caused Mr H distress though, so offered him a £25 gift card. Mr H wasn't satisfied with Monzo's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They couldn't see how someone else would have been able to make the payments without Mr H's consent and didn't think the payments fitted a pattern we'd typically see from fraud. So they didn't think Monzo had acted unreasonably in refusing to refund the payments Mr H had disputed. Mr H disagreed with our investigator, so the complaint has been 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.

Mr H has sent us a significant amount of information and evidence in relation to this complaint. And while I have read and considered everything he has sent us, I've not necessarily referred to or addressed everything he sent us in my decision. Instead, I've focused on the most important evidence I've relied on and the key reasons behind my decision.

Mr H has also sent us a significant amount of information about a number of other payments made out of his account which he doesn't recognise. But, in this complaint, I can only look at the payments he initially disputed with Monzo and which Monzo had the chance to investigate before his complaint was brought to our service. Any payments Mr H disputed after this, will have to be raised with Monzo and dealt with in later complaints.

For clarity, I've set out the payments Mr H has disputed that have been considered as part of this complaint below:

Date	Details	Amount
8 February 2022	To online auction website	£5.99
10 March 2022	To online marketplace	£7.99

2 May 2022	To online payment company / dating website	£9.90
3 June 2022	To online payment company / dating website	£14.89
30 July 2022	To online marketplace	£21.94
8 August 2022	To wellness centre	£40

Monzo has sent us evidence that the payments to the online marketplace of £7.99 on 10 March 2022 and £21.94 on 30 July 2022 have already been refunded to Mr H. So I haven't considered these payments any further.

For the remaining payments, generally a business can hold a customer liable for disputed transactions on their account if the evidence suggests it's more likely than not that the customer authorised the payments – for example, by making them themselves or telling someone else they could make them.

Deciding whether a customer has authorised payments is a two-part test. Firstly the payments must be authenticated, and secondly, the customer must have consented to the payments being made. And this doesn't necessarily require proving that the customer made the payments themselves, as it is possible for a customer to consent to someone else making payments on their account.

Monzo has sent us evidence which shows all of the above payments were made using Mr H's card details – either by chip and PIN or by entering his card details online. This means the payments were correctly authenticated, and so I must also think about whether the evidence suggests it's more likely than not that Mr H consented to the payments.

I've thought very carefully about this and I think it's a finely balanced matter in this case. But where the evidence available is unclear or inconclusive, I must make my decision on what I think is likely to have happened, based on the evidence I do have.

#### *Payment to the online auction website*

Monzo has sent us evidence that the payment of £5.99 to the online auction website on 8 February 2022 was made by entering Mr H's card details online. And Mr H has said he still had the card after this payment was made and hadn't given anyone else permission to use his card. But if this is the case, someone else would have needed to have taken the card and returned it to him without him noticing, which I think is unlikely.

The online auction website also sent evidence to Monzo which showed that the payment was in relation to goods which were sent to Mr H's address. And I think it's unlikely a fraudster would have bought goods but had them sent to Mr H's address.

#### *Payments to the online payment company*

Monzo has sent us evidence that the payments to the online payment company of £9.90 on 2 May 2022 and £14.89 on 3 June 2022 were made by entering Mr H's card details online. And, as for the payments to the online auction website, Mr H has said he still had the card after this payment was made and hadn't given anyone else permission to use his card. So someone else would have needed to have taken his card and returned it to him several times without him noticing, which I think is unlikely.

The online payment company also sent evidence to Monzo which showed the first payment was made in Mr H's name. And after Monzo explained this to Mr H, he replied that he did make this payment himself.

### *Payment to the wellness centre*

Monzo has sent us evidence that the payment of £40 to the wellness centre on 8 August 2022 was made with Mr H's genuine card and by entering his PIN. And Mr H told us no-one else knows his PIN and he hasn't written it down anywhere. But if this is the case, I can't see how an unknown thief would have been able to make this payment. They would have needed to take Mr H's card and return it to him without him noticing, and correctly guess his PIN – which I think is unlikely.

The nature of all the payments Mr H has disputed are also not the sort of thing I'd typically expect an opportunistic thief to do after gaining access to someone's account. Generally, the way fraudsters operate is to get as much money as quickly as possible in order to avoid the source of the money being cut-off or them being detected. But here, there are significant periods of time between the payments Mr H has disputed, the payments are all for relatively small amounts of money and none of the payments use up the full available balance in Mr H's account. So I don't think it's likely any of these payments were done by an opportunistic thief.

I appreciate how Mr H feels about this case, but I don't think the evidence here suggests the payments were made by an unknown third-party. And, based on the evidence I have and in the absence of any other likely explanation, I think it's likely he consented to the payments – either by making them himself or by allowing someone else to make them.

And so I don't think Monzo has acted unreasonably in holding Mr H responsible for the payments made out of his account, or that it needs to refund these payments to him.

Monzo has offered Mr H a £25 gift card in recognition of the fact that the process of reporting these payments caused him distress. And, from what I've seen of the correspondence between Monzo and Mr H during this complaint, I think this is fair and reasonable compensation in the circumstances.

### **My final decision**

I uphold this complaint in part, and require Monzo Bank Ltd to:

- Send Mr H a gift card for £25, if it has not already done so

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or

reject my decision before 8 December 2023.

Alan Millward  
**Ombudsman**