

The complaint

Mr H complains that Monzo Bank Ltd ('Monzo') didn't do enough to help him after he told it he'd been overcharged for the hire of a mobility scooter.

What happened

Mr H agreed to hire a mobility scooter for 12 days whilst on holiday. He paid \$346 using his Monzo debit card. Mr H returned the scooter after five days and received a refund of \$150. He said he had been led to believe any refund paid on returning the scooter early would be pro-rated in a way that each day would make up an equal portion of the overall cost, but it hadn't been. He said that he was due a further \$51.85.

I understand that Mr H raised the issue with the merchant, and it referred to a rental cost table on its website which showed that five days rental cost \$166. It said that it had deducted this, as well as a \$30 in respect of a non-refundable damage waiver, from the \$346 Mr H paid, so it thought the \$150 it had paid Mr H was correct.

Mr H asked Monzo to help him recover the sums he thought were due to be paid to him. He said the merchant told him any refund would be made on a pro rata basis when he'd made the booking by telephone, that the merchant had refused to supply the associated call recording, and that the published rental costs weren't highlighted to him at the point he made the booking.

Monzo didn't think Mr H had provided sufficient evidence to justify it attempting to recover the sums he complained about under the chargeback scheme – in the most part because Mr H wasn't able to provide written evidence that the cost he paid for hiring the goods was incorrect.

Mr H referred his complaint to this service. He reiterated that he believed he was due a further \$51.85 because the cost he'd been charged was greater than he says he'd been told it would be in a call with the merchant. He added that it had taken Monzo too long to handle the dispute and respond to his concerns causing him inconvenience and emotional stress. He asked to be compensated for that.

Our investigator didn't uphold the complaint. They said even if Mr H had been told the cost of hire would be pro-rated in a specific way, it seemed that he'd been charged the right amount based on the evidence the merchant had provided. Overall, they didn't think that a chargeback had a reasonable prospect of success, so they didn't think Monzo had treated Mr H unfairly by not pursuing one. They accepted that it seems there had been delays in Monzo responding to Mr H's complaint, but they didn't think the impact of this warranted a compensatory award.

Mr H disagreed. He maintained that he'd been misled about the cost of hire, and that ought to have warranted Monzo to investigate matters further. He also said that it had taken Monzo months to respond to his complaint, during which time he'd chased it multiple times, causing him stress and inconvenience.

The case has been passed to me to decide what should happen.

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.

From what Mr H has said it's clear that he feels strongly about what's happened. He's provided a number of detailed submissions in relation to the complaint which I've carefully considered in their entirety. My decision, however, will focus on what I consider to be the key issues, so I won't necessarily mirror the level of detail in Mr H's submissions.

In considering what I believe to be fair and reasonable in all the circumstances, I'm required to take into account relevant law, rules, guidance, codes of practice as well as what I consider to have been good industry practice at the time.

When the evidence is incomplete, inconclusive or contradictory, I've made my decision on the balance of probabilities – that is, what I think is most likely to have happened given the available evidence and the wider circumstances.

In my view Mr H has made a number of what I consider to be legalistic arguments about why he considers Monzo ought to have investigated matters further as a result of his agreement with the merchant having been misrepresented to him. That type of argument Mr H has made might be more suited to a process like Section 75 of the Consumer Credit Act 1974. It makes the finance provider responsible for a misrepresentation or breach of contract on the part of the merchant and applies to disputes about goods or services bought using credit. Mr H didn't do that here, so it doesn't apply.

The process left for Monzo to have considered Mr H's claim is chargeback. Chargeback is a voluntary scheme under which a bank can attempt to get a refund for goods or services paid for using a credit or debit card. The scheme is subject to strict rules and attempts can be defended by the merchant or supplier. The chargeback scheme is voluntary, so it's not a legal right, and there's no guarantee of success.

Although I might consider it good practice to attempt a chargeback, there's no obligation for Monzo to do so – despite Mr H's request – particularly if it doesn't consider there to be a reasonable prospect of success. It's my role to decide whether or not Monzo has handled Mr H's claim fairly by not attempting a chargeback.

Mr H says that he was misled about how a refund would be calculated if he returned the scooter early. He says that the merchant refused to provide a call which he says would evidence this but it agreed to provide it to Monzo if it asked. Monzo didn't ask for that call, and I wouldn't necessarily have expected it to. However, even if – for the sake of argument – all parties accepted that's what Mr H was told during the call in question, I don't think it would've had an impact on the prospect of success of his chargeback claim. I'll explain why.

Chargeback scheme rules are specific to the card scheme administrator. Which in this case is MasterCard. The rules are very specific about what can be considered under a chargeback.

Based on what's been presented – particularly evidence from the merchant in the form of a charging table – I think it's clear that Mr H was charged the correct price for the scooter he rented and received the correct refund when the agreement was ended early. I think that if Monzo had attempted a chargeback, it would've likely been successfully defended by the merchant on this basis – particularly as the merchant declined Mr H's claim directly. I say

this having considered the various chargeback reason codes – as well as the very specific scope and criteria of each code – which might have been considered.

Given all of the above, I don't find that Monzo treated Mr H unfairly in declining to take his chargeback claim further.

Lastly, I've carefully considered what Mr H has said about the level of service he received from Monzo. He says that it took months to respond to his concerns.

Monzo's records show that Mr H's dispute was created on 9 May 2023. I've seen that Monzo sent what I consider to be a prompt and clear response regarding its position on Mr H's claim on 13 May 2023. In relation to Mr H's subsequent complaint, Monzo then emailed him on 29 May 2023 to let him know that it hadn't been able to respond within the timeframe it had expected to – 15 days from the concerns being raised – and he could refer matters to this service if he wished at that point.

I accept that it would've caused Mr H some frustration if he found it necessary to subsequently chase Monzo's final response on the matter, which was issued on 27 July 2023. But I also think it's fair to say that Monzo was clear with Mr H from the outset regarding its position on the claim and the evidence it would need to see before pursuing matters. And it gave Mr H referral rights to this service within a reasonable timeframe when it seemed its investigation would take longer than anticipated. I don't think Mr H was disadvantaged by Monzo's handling of the matter.

Overall, I don't think that the level of service Monzo provided to Mr H fell short of what he could reasonably expect to the extent that compensation is warranted. So, I don't require Monzo to pay Mr H any compensation.

My final decision

For the reasons explained above, 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 H to accept or reject my decision before 21 March 2024.

Stephen Trapp
Ombudsman