

The complaint

Ms P complains Monzo Bank Ltd allowed an unauthorised transaction to leave her account and didn't recover it when she disputed it. Ms P also complains about the way she was spoken to by an agent.

What happened

Ms P has an account with Monzo.

Ms P says she signed up for a free trial with a third party and that they subsequently billed her for £225. Ms P contacted Monzo to say she'd not authorised this transaction.

Monzo looked into Ms P's dispute and said the information she'd given was conflicting and not clear and that as she'd had dealings with the third party – and had given them her card details – it wasn't going to raise a chargeback. Whilst Monzo was investigating, Ms P contacted Monzo to ask how long she'd have to wait and when she was told the timescale she asked for her claim to be prioritised. Ms P says the agent she spoke to was lacking in sympathy and understanding and was judgmental. Ms P complained about this and Monzo's decision not to raise a chargeback. She came to us as Monzo didn't uphold her complaint.

One of our investigators looked into Ms P's complaint and said that they didn't think Monzo had acted unfairly or unreasonably as it had considered whether or not Ms P's chargeback would be successful and decided it was unlikely to be so. Our investigator didn't think that was unreasonable. Ms P was unhappy with our investigator's recommendation and asked for her complaint to be referred to an ombudsman. So, it was 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.

Ms P has acknowledged that she signed up to a free trial with the third party in question. I can see too that the third party in question explained – when Ms P disputed the £225 payment that went out of her account – that this payment was for a paid advert for an event Ms P was helping with. I don't think it was unfair or unreasonable of Monzo – when it was deciding whether or not to raise a chargeback on Ms P's behalf – to come to the conclusion that the payment had been taken in accordance with the third party's terms and conditions. More importantly, when looking into complaints about chargebacks, our role is to consider whether or not, in this case, Monzo's decision to raise or not raise a chargeback was fair and reasonable. That often involves the business – in this case Monzo – deciding whether or not the customer's chargeback had a "reasonable prospect of success". That's in part because a chargeback isn't available as a right – it's a discretionary scheme. In the circumstances, I agree with our investigator that Monzo didn't act unfairly or unreasonably when it declined Ms P's claim. I accept that Ms P wasn't, for example, sent a one-time passcode authorising the payment before it went through, but that doesn't mean the payment was fraudulent, for example. And I accept too that she'd likely earmarked this money for other purposes.

Ms P also complained about the way one of Monzo's agents spoke to her. That was during a call when she was asking for her claim to be prioritised. I've listened to that call, and I'm satisfied that the agent was genuinely trying to assess whether her claim was of the type that Monzo ought to prioritise. I can see why Ms P was upset by what he said. But I don't agree what happened during the call was unfair or unreasonable given that the agent was trying to decide whether the claim needed prioritising.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 14 December 2023.

Nicolas Atkinson
Ombudsman