



## **The complaint**

Mr A has complained Monzo Bank Ltd, trading as Monzo, won't refund money he didn't receive after using a cash machine.

## **What happened**

In July 2023 Mr A used a cash machine to withdraw £120. He didn't receive any money from the cash machine but noticed there was £10 lying on the floor. He noticed his account had been debited £101.55. He complained to Monzo and asked for money to be refunded.

Monzo confirmed it could take as long as 7-14 days for an incorrect cash withdrawal to right itself and money to be re-credited to customers. This didn't happen and Mr A contacted Monzo later on in the month.

Monzo told Mr A he had to raise a formal dispute using their app so they could start the chargeback process to request funds. They wouldn't be refunding him in the interim.

Mr A immediately brought his complaint to the ombudsman service.

Monzo provided no evidence about any investigation into whether the cash machine had been working properly so our investigator asked them to refund £91.55 to Mr A.

Monzo restated their view that Mr A should have started the formal dispute process and as he'd not done that, they didn't believe they'd done anything wrong.

Our investigator referred the complaint to an ombudsman as no agreement on the outcome could be reached.

## **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've reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

When considering what is fair and reasonable, I'm required to take into account: relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

The regulations which are relevant to Mr A's complaint are the Payment Services Regulations 2017 (PSRs). These require banks and financial institutions to provide evidence that a payment transaction was properly executed.

To help me come to a decision, I've reviewed the evidence Monzo provided as well as what

Mr A has told us.

Firstly I should say Monzo are permitted to set up a process for customers to follow to lodge payment disputes. There's no doubt Mr A didn't follow this, but we made Monzo aware of Mr A's complaint immediately and I can see they did nothing to respond to our request for their formal investigation.

I appreciate the cash machine wasn't owned or run by Monzo, but they do have obligations under the PSRs to show whether the transaction was properly executed. They can do this using the chargeback process but, of course, this is no longer possible as any timescale for making a chargeback under the card scheme rules has expired. I've been given no evidence to show what happened at the cash machine, so I really have no option but to confirm the transaction wasn't properly executed.

I can see there are inconsistencies with Mr A's evidence too. He's told us he intended to withdraw £120 but the debit to his account was only for £100. I'm sure £1.55 was the fee for using the cash machine. I assume Mr A mistakenly pressed the wrong digit when requesting cash. But it remains possible that there were other errors with the cash machine as I've not seen anything to show whether there were any faults at this machine.

### **Putting things right**

As there's insufficient evidence to show how the transaction worked and whether the cash machine was faulty, I am asking Monzo to refund £91.55 to Mr A. As he's been without those funds since 13 July 2023, Monzo will need to add 8% simple interest to the money to be refunded.

### **My final decision**

For the reasons given, my final decision is to instruct Monzo Bank Ltd, trading as Monzo, to:

- Refund £91.55 to Mr A; and
- Add 8% simple interest to this amount from 13 July 2023 to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 February 2024.

Sandra Quinn  
**Ombudsman**