

## **The complaint**

Mr M complains that Monzo Bank Ltd unfairly decided he is liable for disputed payments from his account.

## **What happened**

In January last year, Mr M says he noticed several transfers from his account that he says he didn't authorise. All the payments took place over two days in December 2022, totalling around £10,000. Mr M says a loan was also taken out in his name without his consent, with the funds depositing into his account and some of it used to fund further disputed payments.

After Mr M raised this with Monzo, the bank concluded that he was liable for the disputed payments and the loan. Unhappy with this decision, Mr M raised a complaint. Monzo maintained its position - the bank says that the payments were made via the mobile banking app on Mr M's device, so it wasn't possible that an unauthorised party could've carried out the transactions. Monzo added that Mr M was sent an email confirmation about the loan on the day it was approved.

Remaining unhappy, Mr M asked this service to independently review his complaint. Mr M submits that:

- The disputed payments took place on 9 and 10 December 2022, but he didn't realise until he logged in to his account on 25 January 2023. He says he uses the account for savings and he doesn't log on to mobile banking regularly – so he didn't notice the payments until several weeks later.
- Mr M is the only person who has access to his mobile device, he alone knows his security credentials and none of his details have been shared or recorded anywhere.
- He hasn't downloaded anything on to his phone nor did anything suspicious happen around the time the payments took place.
- He reported the activity to the police, who informed Mr M that the recipient accounts were used for fraudulent activity.
- He was travelling around the time so it couldn't have been him that carried out these payments.
- He didn't receive any notification from Monzo about the loan being taken out in his name.

Mr M wants Monzo to refund the disputed payments, write-off the loan and amend his credit file.

One of our investigators considered Mr M's complaint and concluded that the payments were authorised by him. The investigator pointed to the evidence he had seen and couldn't see how a third-party could've carried out the transactions without access to Mr M's device

and knowledge of his security credentials.

Mr M doesn't agree. He says his mobile device could've been hacked and points to the police investigation as confirmation that the transactions were unauthorised. Mr M also questioned whether the bank's evidence was verified using data such as IP address information. Mr M asked for a final decision, so the complaint has been passed to me to decide.

### **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.

Monzo can generally only hold Mr M responsible for the disputed payments if the evidence suggests it was more likely than not that he authorised them. Based on what I've seen, I'm of the opinion that Mr M most likely authorised these payments. I know Mr M will be disappointed to hear this given the overall value of the payments he disputes and the loan he's responsible for repaying – so I'll explain my reasons.

Monzo has sent me its data for each of the disputed payments. The data shows that all the disputed payments were faster payments authenticated using Mr M's mobile banking PIN. Monzo has also shared mobile banking log in records. I can see that the disputed payments coincide with mobile banking activity around the same time. The records show that Mr M's device and user I.D were used to log in to mobile banking around the time – the same device and user I.D used to log in to Mr M's mobile banking account both before and after the period the disputed payments took place.

Mr M hasn't pointed to any other unauthorised activity on his account either before or after the disputed payments took place. Given the same mobile device was used for both disputed and non-disputed activity, this makes me think Mr M's mobile device is unlikely to have been compromised at the time.

Monzo also shared the IP address information for the mobile banking activity on Mr M's account at the time. On its own, I wouldn't find this to be conclusive. But given Mr M recently asked whether this service had been provided with such information, I think it's important to comment on what it tells me. This IP information suggests Mr M's account was logged into from locations that are similar to when genuine mobile banking activity was carried out.

Given the above records, coupled with the fact that Mr M confirms nobody else has had access to his mobile device or his PIN, I find it difficult to see how a third-party could've carried out the disputed payments without Mr M's knowledge or consent. So I think it's more likely that Mr M authorised the payments he's disputing.

I think similarly regarding the loan taken out around that time. Mr M says he had no knowledge of the loan application and didn't receive any communication from Monzo about it. The bank's records suggest otherwise. The information I've seen shows Mr M's user I.D was used to log in to complete the loan application and this was also authenticated using his PIN.

Monzo has demonstrated that a confirmation email was sent to Mr M on 10 December. The bank has also confirmed that Mr M's email is the only one that's been registered on his Monzo account. I can't say for certain that Mr M received the email about the loan, but I'm satisfied that Monzo sent it. Nevertheless, based on the information I've seen, I can only fairly conclude that it's likely that Mr M completed the loan application that he now disputes applying for. And because of this, I'm satisfied that it's reasonable for Monzo seek

repayment of this loan from Mr M in line with the loan terms.

Mr M recently put forward the possibility that his mobile device may have been hacked, given he travels regularly and often accesses Wi-Fi services at hotels and airports. But I don't find this to be a likely scenario. Mr M confirmed that he hasn't downloaded anything suspicious on to his mobile device and says nothing unusual happened around the time, so I can't see a reasonable explanation as to how his device could've been hacked. Moreover, a potential fraudster would typically attempt to take as much funds as possible before such activity is noticed.

However, the disputed payments seem to stop shortly after the loan of £6,500 credited Mr M's account – there was only one disputed payment of £70 after this and Mr M's account had a balance of over £4,000 remaining when the disputed payments stopped. I know Mr M thinks consideration shouldn't be given to how a potential fraudster may have acted.

But it's for me to decide what I think is the most likely explanation, based on the information I've seen. I can't see anything to indicate why the payments would've stopped, especially given Mr M says he himself didn't notice the payments until late-January, which led to the dispute being raised several weeks later. It's implausible to me that a potential fraudster would stop at this stage, particularly given a fair amount of funds remained in the account.

Moreover, as our investigator pointed out, following the disputed payments, I can see Mr M's mobile banking was logged in to on 6 January. Mr M says it wasn't him that logged in on this date and, if he did, he would've raised the dispute with Monzo sooner. As I said earlier, the records Monzo provided points to Mr M's mobile device and user I.D being used for this instance of mobile banking activity too. So I think it's most likely that Mr M logged in on this date.

Even if it was an unknown third-party as Mr M suggests, I think it's more likely than not that there would've been an attempt made to transfer further funds. So I don't agree that the likely explanation for the disputed payments is that Mr M's device was hacked.

Mr M has shared flight records to show that he was travelling around the time the disputed payments took place and says it couldn't have been him that carried out the payments. However, looking at the flight timings, I can't see that they correlate with the time of day the disputed payments took place. On 9 December, Mr M had a short flight within the UK that began in the evening, but I can see all the disputed payments took place in the early hours of the morning. So I'm not persuaded that this demonstrates that Mr M is unlikely to have carried out the disputed payments.

Mr M points to updates he's received from the police, suggesting that the recipient bank accounts of the disputed payments belong to those involved in criminal activity. However, other than some of the communications Mr M has had with the police that alludes to this point, I've seen no persuasive evidence of this. So I can't fairly place weight on this point when reaching my decision. I can only consider whether the evidence makes me think that Mr M most likely authorised the payments he's disputing.

As I've explained, I think he did – so I won't be asking Monzo to refund the disputed payments to Mr M or write-off the loan.

### **My final decision**

For the reasons above, I'm not upholding this complaint.

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

reject my decision before 15 March 2024.

Abdul Ali  
**Ombudsman**