

The complaint

Mr P has complained Monzo Bank Ltd didn't cancel recurring transactions on his account as he requested in June 2022.

What happened

As Mr P was going into prison, he asked Monzo to cancel payments from his account whilst he was away. He also wanted them to assist in sorting out a transfer on his behalf.

Monzo cancelled Mr P's direct debits. When Mr P came out of prison, he realised regular payments, using his card details, had continued to be made. He brought his complaint to the ombudsman service.

Our investigator was unable initially to get a business file from Monzo. He asked them to repay Mr P in full.

Monzo provided their file, including a link to the phone conversation with Mr P on 8 June 2022. They felt they'd done what he'd asked as Mr P had confirmed he didn't want his cards blocked. Our investigator continued to feel Monzo hadn't helped Mr P as he'd requested and asked them to repay £338.07 plus 8% simple interest.

Monzo has asked an ombudsman to consider Mr P's complaint.

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.

There's no dispute Mr P contacted Monzo and asked them to help him sort out his account whilst he was in prison. They did cancel his direct debits but felt as Mr P confirmed he didn't wish his cards to be blocked, there was nothing further they needed to do. They also believed Mr P should have been explicit about the regular payments coming out of his account linked to his card details.

I disagree. We don't generally expect personal customers to understand the different terms that banks use for regular payments. In fact many customers refer to direct debits when they mean regular payments which debit an account using the card details rather than those using the sort code and account number. Many years ago the international card schemes (whose mechanisms allow regular payments to be collected using card details) weren't that clear about what these payments should be called as they've been variously called continuous payment authorities and recurring payments.

What is clear from the call is that Monzo understood Mr P was going to be away from home for some time so wouldn't have access to the services that these regular payments were paying for. Mr P specifically referred to at least one TV subscription.

I believe Monzo should have done more and, at least, specifically asked Mr P whether he wished those regular payments to be cancelled. Despite them saying to the contrary, there are mechanisms in place to ensure banks can cancel these transactions on their customer's behalf.

Putting things right

On the basis Monzo didn't cancel these transactions or clarify what Mr P actually wanted to happen with these, and where I'm satisfied that Mr P would have confirmed he did wish these to be cancelled, I'm going to ask Monzo to repay £338.07 which were the transactions made from Mr P's account during his absence. Our investigator has already confirmed this amount with Monzo.

They'll need to add 8% simple interest from the dates they were made until the date of settlement.

Mr P has also asked to have his Monzo fees repaid but I can't see that he specified this at the time. Mr P did still have an open account and wished services to be used, so I'm not asking Monzo to repay these.

My final decision

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

- Repay £338.07 to Mr P; and
- Add 8% simple interest from the date the transactions were made until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 February 2024.

Sandra Quinn
Ombudsman