

The complaint

Mr D and Mrs T complain that Monzo Bank Ltd won't refund £160 they say wasn't dispensed by an ATM.

As the transaction was attempted by Mrs T, for ease, I'll refer to her in this decision.

What happened

The circumstances of this complaint are well known to both parties, so I won't repeat them all again here in detail. But I will provide an overview of events below.

Mrs T said she needed cash to buy euros for an upcoming holiday. On 23 April 2023 she attempted three withdrawals from three different ATMs at a superstore – all of which were unsuccessful and displayed the same error message. The first attempted withdrawal was for £160 and wasn't debited from Mrs T's Monzo account.

The two other attempted withdrawals – for £180 and £160 respectively – were debited from Mrs T's account and so she alerted the superstore and immediately contacted Monzo who raised a chargeback 'ATM didn't dispense cash' claim. The second withdrawal of £180 was credited to Mrs T's account on 17 June 2023 when the chargeback claim was accepted.

But the first withdrawal of £160 wasn't refunded by Monzo because it said a successful withdrawal was shown by the ATM provider and so the chargeback claim was declined. And so, after giving Mrs T a temporary refund of the £160 as soon as she notified it of the dispute – Monzo debited the £160 out of her account on 30 July 2023.

Mrs T asked Monzo for evidence to support its decision, and when this wasn't forthcoming, she complained to Monzo. Monzo maintained its position. It said:

'Mastercard has assessed your claim, and ruled the dispute in favour of [the superstore]. This is because the ATM provider has shown a successful withdrawal for the full amount'.

Unhappy with this response, Mrs T referred a complaint to the Financial Ombudsman. She said Monzo hadn't been able to evidence the £160 had been dispensed.

One of our Investigators considered the complaint and upheld it. She concluded that Monzo hadn't provided sufficient evidence to show the ATM was operating correctly and that the £160 was dispensed. She was also persuaded by Mrs T's testimony of events. Our Investigator asked Monzo to refund the £160 plus 8% interest.

Monzo didn't accept our Investigator's findings, so the case has been passed to me to decide.

In short, Monzo said its investigation into Mrs T's claim was supported by the Mastercard chargeback guide. It said it didn't have access to any more information than what had been

provided as part of the chargeback process – and thought the information we'd asked for wasn't relevant.

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 – and for largely the same reasons. Let me explain why.

It's for Monzo to evidence the transaction Mrs T made was processed correctly. And when applying my fair and reasonable remit, I must consider whether Monzo took reasonable steps to request technical evidence to show the £160 had been dispensed.

Monzo has provided us with an extract from the ATM journal roll showing Mrs T's transaction, and I appreciate Monzo has followed the chargeback process. However, I don't think this limited evidence is enough to say that the ATM correctly dispensed the £160 Mrs T requested.

Monzo hasn't been able to provide evidence to show:

- The breakdown of notes dispensed to Mrs T.
- The disputed amount of £160 hadn't gone into the purge bin.
- The ATM balanced on 23 April 2023.
- There weren't any reported problems with the ATM around the time of the transaction.
- There were no other claims raised for transactions completed on the same day.

In the absence of this information, I can't be certain that the ATM correctly dispensed the money to Mrs T. And so, taking all this into account, I can't rule out the possibility that there was a problem or some type of error with the ATM that affected Mrs T's transaction in some way. I'm also mindful that the claim in relation to the £180 attempted withdrawal was accepted – and that Mrs T got the same error message from all three ATMs she used. This all suggests to me the likelihood of there being some issues with the ATMs at the superstore where Mrs T tried to get her money.

Furthermore, Mrs T's testimony has been consistent throughout, and she took the action I'd expect following the withdrawal, which adds to her credibility. I can see from the chat history that Mrs T acted quickly and contacted Monzo within a few hours of the attempted withdrawal. And she raised the matter directly with the superstore. Mrs T's bank statements also support her position that she needed the cash for a holiday.

Having considered Mrs T's testimony, I find it to be more persuasive than the evidence (or lack of) provided by Monzo.

Putting things right

When there are two competing versions of events put forward by the parties involved in a complaint, I must consider whatever evidence is available. I then weigh this evidence against the balance of probabilities to decide what's more likely to have happened in the circumstances.

Having done this here, all things considered, and on the balance of probabilities, I think it's more likely than not that Mrs T didn't receive the money she requested from the ATM. And it follows that Monzo should refund Mrs T £160 plus interest.

My final decision

My final decision is that this complaint is upheld. Monzo Bank Ltd should:

- Refund £160 to Mr D and Mrs T's account.
- Add 8% simple interest per year to this amount from 30 July 2023 to the date of settlement - less any tax lawfully deductible.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs T to accept or reject my decision **before 8 February 2024**.

Anna Jackson
Ombudsman