

## **The complaint**

Mrs L has complained that Monzo Bank Ltd won't refund a transaction she says she didn't make or otherwise authorise.

## **What happened**

Mrs L received around £7,000 from an account in her parent's name. A couple of weeks later, around £6,700 was transferred to a different account in her parent's name via her Monzo app on her phone.

The following month, Mrs L said that payment wasn't her. She's explained she still had her phone, no one else had access to it, she kept it safe near her, and it was secured by her biometrics and a passcode. She hadn't shared or written down her PIN or security details, nor given her details over in response to any suspicious contact.

Monzo held Mrs L liable for the payment in dispute, as it had been made on her phone at her IP address, and they couldn't find a way it could've been made without her consent.

Our investigator looked into things independently and didn't uphold the complaint. Mrs L didn't agree, so the complaint's 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.

Broadly speaking, Monzo can hold Mrs L liable for the payment in dispute if the evidence suggests that she authorised it.

I'm satisfied from Monzo's technical evidence that the transaction in dispute was made on Mrs L's mobile app, on her registered phone, and was properly authenticated. The payment was made on Mrs L's physical device – and not by bank staff, as she suggested. The question, then, is whether the evidence suggests that it's most likely Mrs L consented to the payment, or not.

The payment was made from Mrs L's phone – the only registered device active on the account at the time. But the phone didn't go missing – Mrs L still has it now. And from what she's told us, it was protected such that only she could access it. The payment also used her security details, which Mrs L said she didn't share, give out, or record anywhere. So there isn't a likely or plausible way that someone could've made the payment without Mrs L's permission.

The disputed payment was made from the same IP address Mrs L used for genuine activity – for example, she registered the app and chatted with Monzo from that IP address. So it looks like the disputed payment was made from the same location where Mrs L usually did her online banking, such as her home. It's difficult to see how an unauthorised third party could be in that place, but it does support the possibility that the payment was genuine.

While this is a more minor point, I might've expected a thief to try to take as much money as possible, as quickly as possible. And if someone had access to Mrs L's mobile banking, they would've seen her balance. But no further payments were made, and a substantial balance was left in the account untouched. It's not likely that a thief would do that.

So based on the evidence, there isn't a likely or plausible way that this payment could've been made without Mrs L's consent. On the other hand, the evidence does support it being made *with* Mrs L's consent – that would neatly explain how it was made on her phone, at her IP address, using the security details which only she knew.

This is also supported by how Mrs L seems to have accessed her online banking in the days after the disputed payment, where she would've seen the balance being substantially lower than before. But she didn't tell Monzo anything was wrong until the following month. It seems unlikely that Mrs L would wait as long as she did to report the disputed payment if it was made without her consent. Further, the disputed payment had been funded by credits from an account of Mrs L's parent a couple of weeks prior, and the disputed payment went to another account in that parent's name, at the same bank, which was confirmed as having a matching name by the confirmation of payee system. This also tends to indicate that this was a genuine, authorised payment. Lastly, I've not seen any evidence which makes it seem implausible or unlikely that Mrs L could've authorised this payment or given someone else permission to make it.

In summary, I'm satisfied that Mrs L's genuine phone and app were used. Based on the evidence, there isn't a likely or plausible way that this payment could've been made without Mrs L's permission. The only likely and plausible possibility I've found is that the payment was made with her consent. And that means Monzo don't need to refund it. This is a difficult message for me to give, and I know it's a difficult message for Mrs L to receive. But given the evidence I have, and the balance of probabilities, I'm unable to reasonably reach any other conclusion.

I also understand that Mrs L is unhappy Monzo closed her account. But similarly to how Mrs L can choose who she banks with, Monzo can broadly choose who banks with them. I can see that they closed her account in line with the terms and conditions.

Lastly, I understand that Mrs L is unhappy Monzo don't advertise more widely that they're not signed up to the code for reimbursing scam payments. But we're not the regulator and don't oversee how banks do business or advertise themselves more widely – we're here to resolve individual complaints about individual situations. So I'm not best placed to consider what Monzo advertises more widely. And the code in question isn't relevant to this individual case, as it's for situations where customers were scammed into making transfers (e.g. for a fake investment), which from what Mrs L's told us, did not happen here. So I'm afraid she would not have been covered by that code anyway.

**My final decision**

For the reasons I've explained, I don't uphold Mrs L's complaint.

This final decision marks the end of our service's consideration of the case.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 7 February 2024.

Adam Charles  
**Ombudsman**