

The complaint

Mr S has complained Monzo Bank Ltd won't refund money he lost through six transactions he didn't authorise.

What happened

In January 2024 Mr S noticed a discrepancy in his Monzo account and contacted them. He disputed six transactions for £60, £415.43, £119.62, £2,700, £3,000 and £3,501 made in September, October and November 2023. These payments had all been made to a cryptocurrency account (with an institution I'll call M).

Mr S had recently had builders within his home from end-September to near end-December. He admitted he often left his phone lying around and believed it was likely this had been obtained and broken into to carry out the transactions Mr S hadn't made. Mr S also noticed disputed transactions on other bank accounts he held (with banks I'll call R and T).

Monzo wouldn't uphold Mr S's claim and argued that the evidence showed it was unlikely that someone else could have made the transactions. They also told Mr S they were closing his account.

Mr S brought his complaint to the ombudsman service.

Our investigator considered Mr S's testimony along with the information he'd supplied. At that stage he had no evidence from Monzo to consider. He felt it was difficult to ignore the device used for all the transactions belonged to Mr S. He also noted data on the statement which suggested payments had been credited into Mr S's Monzo account from his account with M. He wouldn't be asking Monzo to refund Mr S.

Mr S disagreed with this outcome. He's asked for his complaint to be considered by an ombudsman. He also confirmed his diagnosis as severely visually impaired and that he's in receipt of benefit payments. He believes Monzo, as well as R and T, haven't taken this into account when considering their responses.

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.

It's worth stating that I can choose which weight to place on the different types of evidence I review, including technical evidence as biometric data, provided by financial institutions along with complainants' persuasive testimony. Monzo has since provided evidence to back up their assertion Mr S made these transactions.

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 S's complaint are the Payment Services Regulations 2017 (PSRs). These primarily require banks and financial institutions to refund customers if they didn't make or authorise payments themselves. There are other aspects to the PSRs but nothing I believe which has an impact on Mr S's complaint.

To help me come to a decision, I've reviewed the evidence Monzo provided as well as what Mr S has told us.

I believe these transactions were carried out with Mr S's authorisation. I say this because:

- Monzo's evidence shows the device ID used for the disputed transfers was the iPhone belonging to Mr S. Mr S doesn't dispute that is most likely. But he has told us he left this lying around on occasion enabling unauthorised people to access it.
- Mr S has told our service he didn't have biometric data or PINs to access his phone or banking apps. However this isn't the case. Mr S's Monzo app is accessed using biometric data. This was used properly at the time the disputed transactions were made. In fact I've seen evidence that Monzo provided. Monzo amended how transactions were authenticated in October 2023. So, for example, all of the six disputed transactions used Mr S's Monzo card details and the transactions were authenticated by biometric data. I can't see how this would be replicated by an unknown third party.
- There are credits to Mr S's Monzo account from his account with M. There's also evidence that payments were transferred from Mr S's Monzo account to his account with R. Credits are also made to Mr S's Monzo account from his account with T to enable some of the disputed payments to M. These haven't been disputed.
- Mr S – in a webchat with Monzo – confirms he held an account with a further transfer service. I'm also aware from one of Mr S's other complaints that he regularly traded in cryptocurrency.
- If I were to consider an unknown third party had got hold of Mr S's phone to make these transactions, I'd have to consider that quite a high-risk strategy. This would involve someone using Mr S's phone over a considerable period from 27 September to 6 November. I find this scenario too implausible.
- I'm surprised it took Mr S a relatively long period of time (more than two months) to notice the fraud and report these transactions as disputed.

It's difficult to separate the complaints Mr S has brought against Monzo as well as against R and T. I have taken into account what happened on those accounts when considering what I believe is the right outcome here.

Based on what I have seen, I believe there's sufficient evidence to show Mr S authorised the disputed transactions.

My final decision

For the reasons given, my final decision is not to uphold Mr S's complaint against Monzo Bank Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 1 July 2024.

Sandra Quinn
Ombudsman