

The complaint

Miss O complains that Monzo Bank Ltd failed to recover money which she had transferred in error.

What happened

On 13 December 2023 made a transfer of £150 from her Monzo account to an account in the name of someone I'll call L. She had intended it to go to a different recipient (P), but selected the wrong individual from her list of saved payees. Miss O makes payments to P fairly frequently. She says that she had saved L's banking details because she had intended to make a payment for an item she had bought through social media. She was not however able to contact the recipient, whom she does not know.

As soon as she realised what had happened, Miss O contacted Monzo, asking it to make a refund.

Monzo raised a Credit Payment Recovery the following day. It was however unable to retrieve any funds, because the recipient did not give their consent to a refund. Monzo said that, in the circumstances, it could not reimburse Miss O. It did acknowledge however that it had not explained things as well as it could have done and credited Miss O's account with £25 in recognition of that. Miss O said however that Monzo should refund her money and that, if it had acted sooner, that money would have been returned. She also thought that Monzo should obtain and provide details of the recipient.

Miss O referred the matter to this service, and one of our investigators considered it and issued a preliminary assessment. He concluded that Monzo had done what it could to recover funds and, while he sympathised with Miss O, he thought it Monzo had acted fairly.

Miss O did not accept the investigator's conclusions and asked that an ombudsman review the case.

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.

This was not a case where Miss O was tricked or otherwise defrauded into making a payment. Nor was it a card or online payment to a merchant. This was an online payment to an individual where Miss O used the wrong account details. Because of that, Monzo was limited in the steps it could take to try to recover funds.

All Monzo could realistically do was contact the receiving bank and ask it to look into things. And, if the receiving bank's customer did not agree to money being returned, or if the money was no longer in the account, no refund would be made.

Miss O says that Monzo should have acted sooner than it did. It did however request a refund the day after Miss O contacted it. In doing so, I am satisfied it acted promptly enough.

And there is no reason to think the recipient's response to a request for the return of funds would have been any different if it had been made a day earlier.

I can understand why Miss O thinks it is unfair that she is out of pocket. Of course, if L has received money to which they are not entitled and has not returned it, that is unfair. But that is not a reason to require Monzo or to recipient bank to bear the loss that has resulted.

Finally, I note that Miss O has asked for information about the recipient of the funds. However, that information is confidential between the recipient and their bank, so I can understand why it has not been provided.

My final decision

For these reasons, my final decision is that I do not uphold Miss O's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 18 November 2024.

Mike Ingram
Ombudsman