

The complaint

Mr A complains that Monzo Bank Ltd treated him unfairly when it dealt with a Chargeback claim he made.

What happened

Mr A booked a ticket in May 2023 through a travel merchant, T, for a flight in December using his Monzo debit card. In November Mr A said he had to change the booking and had to pay a fee of £68.60. This transaction went through twice. Mr A raised the issue with Monzo which refunded both transactions and raised a Chargeback claim. Because both charges were refunded his flight ticket was cancelled by the airline for non-payment of the charge. Mr A raised a complaint with Monzo. He said the error wasn't with T but with the bank.

In its final response Monzo said Mr A raised a dispute on 14 November 2023 for £68.60. It said the dispute wasn't ruled in Mr A's favour and it had followed its terms and conditions. Mr A didn't agree and brought his complaint to this service.

Our investigator concluded that Monzo hadn't acted fairly towards Mr A. He said it acted unreasonably by not processing Mr A's request for assistance correctly which meant he was unable to mitigate the losses he incurred. Monzo didn't agree and asked for a decision from an ombudsman. It made some additional comments to which I have responded below where appropriate.

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 agree with the conclusions reached by the investigator for the reasons I've outlined below.

Mr A made a change to his flight booking and was charged twice. These charges appeared on his statement under two different payee references which I've identified as K and H, see below table:

Date	Payee ref		
28-May-23	K	£829.61	Bought flight ticket for Dec 23
07-Nov-23	K	-£68.60	Amended the flight booking
09-Nov-23	H	-£68.60	Second payment taken in error
14-Nov-23			Requested assistance from Monzo
			Both payments are refunded and Monzo raised a Chargeback claim
15-Nov-23	K	£68.60	On statement it says this relates to previous transaction. This payment is listed first.

15-Nov-23	H	£68.60	On statement it says this relates to previous transaction – Chargeback refund
02-Dec-23			Airline cancelled flight
02-Dec-23			Mr A made a new booking
07-Feb-23	H	-£68.60	Chargeback reversal payment

- If a consumer disputes a card payment, the card issuer may be able to make a chargeback claim to the merchant under the relevant card scheme to try to settle the dispute;
- Mr A made the payments to T using his Monzo debit card and when he contacted Monzo in November it made a chargeback claim for the payments;
- There's no right for a consumer to require that a chargeback claim be made but, if the right to make a chargeback claim exists under the applicable scheme rules and if there's a reasonable prospect of success, I consider it to be good practice for a chargeback claim to be made;
- Based on a response from T regarding the chargeback Monzo asked Mr A for further information in or around January 2024. By this time Mr A's flight had been cancelled because of non-payment. Mr A didn't respond within the timescale, and the charge was debited from Mr A's account on 7 February. As Mr A wasn't disputing one of the charges he didn't pursue the chargeback after the flight was cancelled.
- It appears the chargeback claim was brought against payee reference H. This was the payment taken on 9 November, reversed on 15 November, and then reversed again on 7 February.
- But for reasons which weren't made clear to Mr A at the time when Mr A raised the issue with Monzo it credited both payments back to Mr A's account on the same day. Consequently the change to the flight Mr A had booked hadn't been paid for and the flight was cancelled.
- In response to our investigator's view Monzo said
 - *"The customer asked us to dispute the payment to the merchant and we raised a chargeback for them. There was a subsequent charge which was not refunded by Monzo. The merchant simply did not collect the authorisation. Whilst we sympathise with the customer that their flight was cancelled, this wasn't due to a fault by Monzo. We did what the customer asked us to do and raised their chargeback, we also tried to remedy this with them back in December and got no reply. We didn't raise two disputes, we raised one, against the merchant the customer asked us to dispute. The other was auto reversed on its own when the merchant didn't collect the payment. There is nothing further we could have done in this instance. We're not responsible for merchants not collecting on the authorisations they process and we also raised a chargeback that the customer requested."*
- I'm satisfied Monzo correctly raised a chargeback. The chargeback reversal on 7 February was to payee with reference H. This indicates to me the chargeback was raised against H which was the transaction on 9 November. This seems logical as the flight payment was to K and the amendment payment on 7 November was also to K.
- But I don't agree there was a "subsequent" charge which was not refunded. I've looked at the statement. On 15 November the refund for K is listed before the refund for H not after, indicating payment to K was before payment to H. I think it very likely that the payments were reversed either at or around the same time on 15 November. And even if they weren't at the same time the reversal for H was after the reversal for K according to the statement. And it seems unlikely to me the reversal for K was because the merchant didn't collect on the authorisation. Given the close proximity of the two reversals it seems more likely that one of the payments was reversed in error

- by Monzo.
- I'm persuaded that Monzo hasn't understood Mr A's request for help causing both transactions to be refunded. Consequently the change to the booking wasn't paid for and so the booking cancelled.

Putting things right

To put things right Monzo Bank Ltd must

- Refund to Mr A the cost of the flight, £829.61 and the booking amendment, £68.60
- Apply 8% simple interest per annum to the refunded amounts from 15 November 2023 to the date of settlement
- Mr A has been inconvenienced by this issue, so I think it fair and reasonable that Monzo pay Mr A £100 in compensation.

My final decision

My final decision is I uphold this complaint and Monzo Bank Ltd must put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 28 November 2024.

Maxine Sutton
Ombudsman