

The complaint

Miss W complains Monzo Bank LTD (“Monzo”) refuses to refund her for transactions on her account she didn’t authorise.

What happened

Miss W says her phone, card details and account details had been compromised and money was taken from her account without her consent. Miss W says since trying to take out payday loans she has received an influx of spam emails, calls and texts and was told her phone number was leaked in a data breach. She also says she lost her phone and debit card. She noticed unauthorised transactions on her account and wants Monzo to refund these. She would also like compensation for the delays experienced in complaining to Monzo and for the distress and inconvenience caused.

Monzo says it has considered the transactions Miss W has complained about and it refunded one of these but based on the evidence it believes the rest were authorised. It says the transactions which haven’t been refunded were authorised via her phone before and after the date she says it was stolen. It also believes Miss W always had her device in her possession. So, it has no evidence to support what she says about the transactions being unauthorised. But Monzo offered Miss W £25 compensation to say sorry for the delays she experienced during the complaints process.

Our investigator considered this complaint and decided not to uphold it. Miss W wasn’t happy, so the complaint has been passed to me for a final decision.

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.

A consumer should only be responsible for transactions made from their account that they’ve authorised themselves. Miss W has said they didn’t give any permission for the transactions in dispute to be made but Monzo believes she did. My role then is to give a view on whether I think Miss W more likely than not authorised the transactions, based on the evidence I have available.

Firstly, I would like to say I am sorry to hear of Miss W’s financial and medical difficulties. I appreciate the recent years have been tough for her and I hope her situation improves going forward.

Miss W says since applying for payday loans, she has received a large amount of spam emails, calls, and texts. She was also informed that her phone number had been leaked in a data breach by her phone provider. So, she thinks that a fraudster may have been able to use this information to make the unauthorised transactions from her account. She said she lost her phone on 24 January 2023 and her debit card on 27 January 2023. Initially she said her debit card was returned to her, but she replaced her phone with another phone of the same make and model. Monzo then produced evidence to show that she has only ever had

one device registered on her account and this is the same device that was used to message Monzo to inform it that her phone had been lost. Miss W then changed her evidence to say that her phone was returned to her the next day. While I appreciate this situation has caused Miss W a lot of stress, the inconsistency in her story makes it difficult for me to rely on what she has said alone. But I have considered her evidence alongside the evidence provided by Monzo.

Monzo refunded one transaction which it says it couldn't confirm if Miss W authorised or not, so in fairness to her it decided to refund it. In relation to the transactions still in dispute, Monzo has provided evidence to show these transactions were authorised via Miss W's phone, and the transactions in dispute took place between 7 January and 27 January 2023. Miss W's evidence changed throughout this complaint but most recently she says her phone was lost on 24 January and returned to her the next day, on 25 January 2023. However, from the evidence I've been provided, none of the disputed transactions took place during the time Miss W says she didn't have her phone.

Monzo asked Miss W if anyone else had access to her phone before and after it was lost, but she said no. So as Miss W had her phone in her possession during the period of most of the disputed transactions, and as she said, no one else had access to her device, it then seems more likely than not that Miss W authorised these transactions herself.

I have considered that Miss W says she had been receiving a large amount of scam emails, calls and texts, but she's not provided any further information about this which could explain how a fraudster would be able to authorise the transactions in dispute. I've also seen that Miss W was regularly logged into her Monzo app, and as the transactions in dispute started at the beginning of January, I would've expected her to report these transactions as unauthorised sooner than she did.

I appreciate this decision will be very upsetting for Miss W. It's a lot of money, and I understand she's currently in financial difficulty. So, I do have sympathy for her situation. However, based on the evidence I've seen I have seen I don't think Monzo should be held liable for these transactions, so I am not upholding this complaint. Therefore, I have also not awarded any compensation for distress and inconvenience. I have seen that Monzo has offered £25 for its delay in responding to Miss W but I don't think it needs to do anything further.

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 16 September 2024.

Sienna Mahboobani
Ombudsman