

The complaint

Mr U says Monzo Bank Ltd (“Monzo”) refuses to refund him for transactions on his account he says he didn’t authorise.

What happened

The facts of this case are well known to both parties, so I won’t repeat them in detail here.

In summary, Mr U says his card and phone were stolen on 17 March 2024 from his pocket while he was on the bus to work. Following this, transactions totalling £550 were made from his account which he didn’t authorise. Mr U would like these refunded and he is also unhappy Monzo closed his account.

Monzo says the payments were made from Mr U’s device which was protected via passcode or Face ID. They were also completed via Mr U’s Monzo app, but there is no evidence of how someone else would’ve known his log in details. So Monzo has held Mr U responsible for the payments. It also says it gave Mr U the required notice of the closure of the account, so it hasn’t done anything wrong.

The investigator considered this complaint and decided not to uphold it. Mr U wasn’t happy with this outcome, so the complaint has been passed to me for a 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.

Generally speaking, Monzo is required to refund any unauthorised payments made from Mr U’s account. Those rules are set out in the Payment Service Regulations 2017. Mr U has said he didn’t carry out the transactions in dispute, but Monzo says it thinks he did. So, I have to give my view on whether I think Mr U did authorise the transactions or not based on the evidence available.

Monzo has provided evidence to show the transactions in dispute were carried out via Mr U’s mobile banking app. Money was transferred in from another account in his name, and then sent via faster payment to a third party. Mr U says these were not done by him; he says this happened after his phone was stolen. I’ve thought about what Mr U has said but based on the evidence I don’t think it’s likely these transactions were completed by a third party, and I’ll explain why.

In order to make these transactions the passcode for Mr U’s phone and his log in details for the Monzo app would be needed. Also, as the money was transferred into the Monzo account via a push payment from another account, they would’ve also needed to log in details for the other banking app. And Mr U has not provided any information to show how a third party would’ve known this information.

I've also seen that the IP address registered for the disputed transactions is the same IP address which has been seen for prior undisputed transactions and transactions after the disputed transactions. Monzo says this related to a BT broadband network. And while I don't have evidence to confirm this, I think it's likely to be an internet connection somewhere Mr U visits often, like a friend's house or a workplace. I think it's unlikely a third party would've taken his phone and then used it to make these payments at the same place that Mr U often uses his phone as well.

The amounts and frequency of the transactions are not typical of fraud either. Usually, we see multiple payments in quick succession, in an attempt to withdrawal as much money as possible before being detected.

I have no evidence to support what Mr U says about his phone being stolen. There is no evidence that he reported the theft to the police, nor did he block his phone or SIM card. Mr U says he didn't buy a new phone to replace this because a few days later someone returned his phone to him. However, I think if a fraudster had managed to get hold of his device and into his banking accounts it's unlikely, they would've handed it back or abandoned it. So, without any evidence to support this, I am not persuaded by what Mr U has said.

Overall, I am not persuaded these transactions were unauthorised for all the reasons outlined above. I have also considered what Mr U said about Monzo closing his account, but it did so by giving the required amount of notice, and as a business decision it is within it's rights to do so. So, I am not asking Monzo 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 Mr U to accept or reject my decision before 21 March 2025.

Sienna Mahboobani
Ombudsman