DRN-4868531

Financial Ombudsman Service

The complaint

Miss G has complained Monzo Bank Ltd wouldn't refund her for transactions she didn't recognise, which resulted in her account going overdrawn.

What happened

In May 2023 Miss G contacted Monzo. She didn't recognise three transactions all around £17 which had debited her account in the previous fortnight. Monzo refunded her prior to their investigation.

As a result of their investigation, Monzo believed that Miss G had authorised these three transactions and told her they would be re-debiting her account. Miss G was extremely annoyed and immediately closed her Monzo account.

In 2024 Miss G realised Monzo had defaulted her account as this stood in an unarranged overdraft. She complained. Monzo felt they'd done nothing wrong and followed their procedures.

Miss G brought her complaint to the ombudsman service.

Our investigator felt that it was most likely, based on Miss G's account history, that she had authorised the three transactions. When Monzo re-debited her account, they warned Miss G that any overdraft would be unarranged. He didn't feel it would be fair to ask them to do anything further.

Still unhappy, Miss G has asked an ombudsman to review her complaint.

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 my overall outcome.

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.

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 Miss G'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.

To help me come to a decision, I've reviewed the evidence Monzo provided as well as what

Miss G has told us.

I believe these disputed transactions between 23 April and 1 May 2023 were carried out with Miss G's authorisation. I say this because:

- The evidence shared with us by Monzo from the merchant confirm these were authorised by Miss G and match many previous transactions she'd made using this merchant account.

- They don't resemble transactions that are fraudulent in their nature as they are low value and well spread.

- Miss G had a history of regular payment disputes on her Monzo account.

It's clear from the chat evidence between Miss G and Monzo that Miss G took umbrage with them when they confirmed they'd be re-debiting her account. But I've looked at what she was told and Monzo were clear that if there were insufficient funds, then the account would end up in an unarranged overdraft. It would seem from Miss G's actions that she attempted to close her account to avoid repaying the money. So, I can't say that Monzo's subsequent actions in defaulting her account were wrong.

I won't be asking Monzo to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 7 October 2024.

Sandra Quinn
Ombudsman