

## The complaint

Miss S complains Monzo Bank Ltd treated her unfairly when payments into her account were disputed.

## What happened

Miss S had an account with Monzo which has been closed since this complaint.

In August 2023 Miss S received three payments totalling £650 which she says were from a friend for her birthday. Miss S says shortly after her friend sent her these payments they had a disagreement and her friend threatened to take their money back and get her account closed. She says Monzo returned £350 to her friend after he disputed the payments, taking her into overdraft. Miss S complained saying that Monzo shouldn't have done this as her friend had voluntarily paid money into her account.

Monzo looked into Miss S's complaint and said that it had been told the payments she'd received had been disputed and that the decision to return £350 wasn't its decision but was one that it had to accept. So, it didn't agree it had acted unfairly, and said that it was entitled to ask Miss S to repay her overdraft. Miss S was unhappy with Monzo's response, and so complained to us.

One of our investigators looked into Miss S's complaint and said that they thought Monzo could have done more to dispute the claim Miss S's friend had brought. In particular, they thought that Miss S had shown her friend had voluntarily sent her £650. So, they recommended that Monzo refund the payment returned and compensate Miss S. Monzo was unhappy with our investigator's recommendation and asked for this complaint to be referred to an ombudsman for a decision. So, her complaint was passed on to me.

## 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.

Last month I issued a provisional decision saying that I wasn't minded to uphold this complaint as I didn't think Monzo had acted unfairly given what both parties in this case had said. In that decision I said the following:

*"I can see that Miss S's "friend" sent her three payments totalling £650 within the space of two hours. I can see that her "friend" claimed these payments were for the provision of cleaning services – that Miss S had agreed to clean an apartment he was moving into – and that this service hadn't been received when he raised his dispute. I have no reason to believe that this was true. In other words, I believe that Miss S's "friend" claimed the payments back based on false information. Miss S may or may not have agreed to provide a service, but if she did it wasn't a cleaning service. I can, however, also understand why Monzo wouldn't have believed what Miss S said about these payments – that they were from a "friend", that they were for her birthday and that they were to allow her to buy an outfit. I say that because the evidence that Miss S*

*sent in – including chat messages between her and her “friend” – not only had many gaps in it but also suggested that the parties had agreed something between themselves and that the payments weren’t, therefore, birthday gifts. More importantly, I don’t think I can say that Monzo did anything wrong when it essentially got dragged into a dispute between two parties, neither of whom were being 100% truthful.”*

I then said:

*“I can see that Miss S told Monzo that she had offered to pay the money back to her “friend” but he’d declined. I’ve spoken to Miss S about this, and her response wasn’t always consistent. I am, however, satisfied based on everything I’ve read and been told, that there was a discussion between Miss S and “her friend” about the money being returned, and that Miss S would have preferred this matter to have been resolved that way. I’m also satisfied that this didn’t happen because Miss S’s “friend” wanted to make life difficult for her. But I don’t think it would be fair to hold Monzo liable for that.”*

And concluded:

*“Given what I’ve just said, I don’t think it’s unfair that Miss S’s “friend” got some of the money he’d sent back – given that Miss S had offered to return the money. Nor do I think it’s unfair that Miss S went overdrawn as she wouldn’t have done so had she not withdrawn the £650 shortly after it had been received. Miss S had funds to pay off the overdraft that the refund created. So, I don’t think it would be fair to ask Monzo to do more.”*

Both parties were invited to comment on my provisional decision. Neither did.

Having reconsidered everything again, and in the absence of anything new from the parties, I remain of the view that this isn’t a complaint I should be upholding.

### **My final decision**

My final decision is that I’m not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Miss S to accept or reject my decision before 6 September 2024.

Nicolas Atkinson  
**Ombudsman**