

The complaint

Mr C complains that Monzo Bank Ltd didn't provide the service it should have in regard to a travel charge on his account. He wants to be compensated for the frustration and annoyance this issue caused him.

What happened

On 15 April 2024, Mr C used his Monzo card to pay for his travel. A 10p authorisation charge was applied to his card and he selected a full payment. Mr C says that the overall charge for his journeys should have then been automatically charged to his card minus the 10p. However, Mr C says that on 18 April 2024 the full charge came up requesting him to choose how he wanted to pay. The charge included interest for the delay in the payment. Mr C contacted Monzo through its chat facility but didn't receive the service he should have. He says it took 11 days for Monzo to resolve the issue.

Monzo issued a final response dated 3 May 2024. It said it had correctly followed its internal procedures when processing Mr C's travel payment. It agreed that the travel payment would usually involve an initial authorisation payment of 10p, and this amount would be adjusted once the day's travel had been completed. But in this case the travel operator had processed two separate transactions and so the option made for the 10p payment hadn't carried over to the full amount. Regarding the service Mr C received when he contacted Monzo through its chat facility it said the in-app chat wasn't a live facility and worked more like a secure message inbox which it aimed to respond to as soon as possible. It said that when Mr C contacted it the correct information was provided, and it had responded within a reasonable amount of time.

Mr C wasn't satisfied with Monzo's response and referred his complaint to this service.

Our investigator didn't uphold this complaint. He accepted that the charge being taken in two separate collections wasn't the fault of Monzo and that Mr C had been able to select the interest free plan to prevent interest being added. He didn't find that Monzo had done anything wrong in the processing of the transaction and had offered a correct explanation for the issue that arose.

Mr C didn't accept our investigator's view and referred to the rules which he felt Monzo hadn't adhered to. He said that Monzo misrepresented the delay by the travel operator to process the right charge as his delay to select an instalment plan. He said that until 29 April interest was being added and none of Monzo's agents were able to advise him on what to do. He said he spoke to several agents and kept explaining his situation, but the agents kept disappearing or forwarding his issue to another agent. He said it wasn't until 26 April that Monzo said the issue would be raised with the right agent and not until 29 April that a resolution was provided, and the interest removed.

My provisional conclusions

I issued a provisional decision on this complaint, the details of which are set out below.

Mr C used his Monzo card to pay for his travel on 15 April. When the authorisation charge of 10p came in Mr C has said he selected the payment plan and he had expected this to be carried forward when the full charge for the day's travel came in. However, this didn't happen. Monzo has explained that the authorisation and full charge were completed as two separate transactions which meant that Mr C was required to select the payment plan for the full charge even though he had previously selected this for the authorisation charge. I note that this wasn't what Mr C expected and I can understand why he was concerned that interest was being applied to the charge. However, based on the information provided I do not find I can say that Monzo did anything wrong in the processing of the payment.

Mr C was made aware that he needed to select a plan for the full travel charge and that if this was done by a certain time then no interest would be charged. Mr C made the required selection on 29 April and no interest was charged. So, while it appears that the usual payment process didn't happen in this case, I do not find I can say that Monzo did anything wrong or treated Mr C unfairly. And as the issue was resolved and no interest was charged, I do not find that this issue caused Mr C any financial detriment. Therefore, I do not require Monzo to do anything further in response to this part of Mr C's complaint.

Mr C has also complained about the service he received while trying to understand the issue with his payment. Mr C contacted Monzo through the chat facility on 18 April. He explained his issue related to a payment made to the travel operator on 15 April. Unfortunately, the agent was unable to help and said Mr C needed to talk to someone in the borrowing team and said his message would be passed on. I can understand that Mr C wanted an immediate response to his issue, but I cannot say that the agent was wrong to pass on the information when she wasn't able to help.

While I understand that the chat facility isn't a live function, I also note that Mr C wasn't contacted until the following day and that he had sent a prompt through the chat prior to this. When Mr C was contacted the next day, the agent said the transaction was pending and provided information about the payment process. At this stage I don't find that Monzo had provided a clear explanation of what had happened in regard to Mr C's payment or the action he needed to take. Given Mr C wasn't getting information specific to his concerns through the chat I can understand why he decided to send an email. At this point he raises his concerns about the charge incurring interest. While Mr C's email was acknowledged, the issue he had raised wasn't dealt with, but a complaint was raised.

A further email was sent on 20 April where Mr C was asked to provide his ID which he did. He was then asked for further details which I do not find unreasonable. Mr C didn't appear to provide this until after further contact on 22 April where again he asks for the interest to be removed. While there was communication between Mr C and Monzo at this time, Monzo didn't explain why the interest was being added or that this could be avoided if Mr C selected a payment plan. I think that Monzo could have provided better service at this point and explained why the interest was being applied.

Mr C then received a message about his next account payment and that he didn't have a plan selected for one of his purchases. I appreciate this caused Mr C upset, but I find it reasonable that he was provided with this information. Following this, Mr C contacted Monzo and there was some confusion about the payment being discussed. I can appreciate that Mr C found this frustrating, but the agent was trying to assist him. Mr C was then told that he needed to select a plan for the travel payment.

While I can see that Mr C was given the information he needed to address the issue with his travel payment and he was able to take action to prevent any interest being charged, I do not find he was provided with the service he should have been when he contacted Monzo about this. The conversations in the chat didn't identify the issue Mr C was experiencing and after

he sent emails to set out his concerns, he still had conversations where the issue wasn't properly understood. While Mr C was provided with the information he needed on 25 April and then further details about this in the following days, I think that more should have been done to understand the issue and address this when Mr C first made contact. Because of this I am upholding this part of Mr C's complaint.

When considering appropriate redress, I have noted that Mr C had to contact Monzo on several occasions before he was provided with the information he needed, and I can appreciate that this was both frustrating and inconvenient. However, I have also considered that Monzo did provide details of what action he needed to take on 25 April and then further details about this in the following days. Taking all of this into account I think that Monzo should pay Mr C £50 for the upset and inconvenience he was caused.

Monzo accepted my provisional 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.

As no new information was provided in response to my provisional decision, my conclusion hasn't changed. As I set out in my provisional decision, Mr C was given information about what he needed to do to resolve the issue with his travel payment, and he was able to take the required action to prevent any interest being charged. But, I do not find that he was provided with the service he should have been while trying to understand the issue with his payment. So, for the reasons I have already set out, I find that Monzo should pay Mr C £50 for the upset and inconvenience he was caused.

My final decision

My final decision is that Monzo Bank Ltd should, as it has agreed, pay Mr C £50 for the distress and inconvenience he was caused while trying to resolve an issue with his payment

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 November 2024.

Jane Archer
Ombudsman