

The complaint

Mr B is unhappy with how Monzo Bank Ltd (Monzo) handled a chargeback claim he made to them.

What happened

Mr B complained about an online gaming subscription service he had taken out with a supplier I shall call 'R'. He paid for this with his Monzo debit card at £6.69 a month, however he says the subscription benefits weren't available for a few months. Mr B spoke to R who suggested re-subscribing to address this.

Unfortunately this meant Mr B was double charged and so he raised the issue with Monzo asking for a refund of these payments.

While the last disputed transaction was on 3 January 2023, Mr B only raised the chargeback claim against R on 16 May 2023. He submitted an online chargeback form to Monzo but says he was only able to submit details of one of the transactions. He therefore added a note in the form stating that he had a number of transactions he wished to claim beyond the one he'd detailed.

While the transaction detailed on the form had a chargeback raised on the same day and the money returned to Mr B, he didn't hear further about how to submit details on the other transactions. He therefore followed up with Monzo on 28 December 2023 regarding this.

Monzo replied on 19 January 2024 stating only one transaction had been submitted by Mr B as a part of this claim and this had been looked at. They also said that any other transactions would need further claim form submissions.

Mr B complained about the service he'd received on 16 May 2024. He says Monzo hadn't read his notes during his initial claim and was concerned he'd be out of time for the rest of the transactions. He also wasn't happy with his interactions with Monzo on this issue. He said his concerns weren't addressed appropriately on their online chat and he was passed between agents.

Monzo sent their final response to Mr B on 30 May 2024 clarifying their process again that the further claims would've needed to have been submitted via subsequent forms. They also said customers are sometimes passed between staff members in their online chat if someone's shift has ended. All in all they felt they didn't need to do anything further for Mr B.

As Mr B didn't agree he referred the complaint to our service in July 2024.

Our investigator reviewed Mr B's complaint and spoke to Monzo who wished to make an offer to address what'd happened. They said they were willing to refund three more transactions to Mr B and also wanted to offer £50 for the distress and inconvenience caused, totalling £70.07.

Mr B didn't accept this offer and said there were still a number of transactions that he was due a refund for. In addition he didn't believe the offer for the distress and inconvenience caused was sufficient.

Our investigator considered Mr B's complaint further but didn't believe Monzo needed to offer anything more. They noted Mr B's original chargeback claim was outside the time limits set out in the card scheme rules (in this case Mastercard) although Monzo had failed to explain this to Mr B.

They noted Monzo's final response didn't explain the chargeback claim had been out of time and hadn't addressed all of Mr B's concerns about the customer service. As Mr B couldn't speak to a manager to discuss his concerns at the time, he'd raised an information Subject Access Request (SAR) to attain more information.

Our investigator also noted a substantial amount of discussion had occurred around the transactions without Monzo noting Mr B was out of time to claim for these. They felt the offer made by Monzo was fair as it addressed Mr B's losses even though he wasn't entitled to a refund.

Mr B didn't agree. He felt that he'd likely have been refunded the rest of his transactions if he'd been able to submit the details in his original claim form. He also said he hadn't raised the chargeback claim in time as he was working multiple jobs and had little time to log into his mobile app to submit the claim. He also said he had tried to speak to customer service agents multiple times in the online chat but they hadn't been available.

Following consideration of Mr B's comments, our investigator still didn't believe Mr B's explanation was reasonable for why he hadn't submitted his chargeback claim within the required time limits. They therefore felt Monzo's offer was fair considering everything that'd happened.

Mr B didn't agree with the investigator and asked for an ombudsman to make 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.

I've read and considered the evidence submitted by the parties but won't comment on it all – only the matters I consider to be central to this complaint. This isn't intended as a discourtesy but reflects my role in resolving disputes informally.

It's important to note that Monzo aren't the provider of the services here – so in deciding what is fair and reasonable, I'm looking at their particular role as a provider of financial services. In doing so I note that because Mr B paid for his subscription using his Monzo debit card, a chargeback could possibly have helped him. So in deciding what is fair and reasonable I've focussed on this.

Chargeback

There is no requirement for Monzo to raise a chargeback, but it's often good practice to do so. However, a chargeback isn't guaranteed to succeed and is governed by the limitations of the particular card scheme rules. I've considered the relevant chargeback rules in deciding whether Monzo acted fairly.

I note Mr B's chargeback claim would fall under the reason code 'cardholder debited more than once for the same goods or services'. It could also possibly be considered under 'goods or services not provided' as Mr B said that he didn't have access to his online subscription services for a period of time.

However the claim would need to be made within 120 days from the date of the transaction under Mastercard rules. Having considered the time period for the disputed transactions, these span from 2022 to the last transaction on 3 January 2023. This would mean that he would've needed to raise the chargeback claim by 3 May 2023 regarding the final payment. However he only raised the dispute on 16 May 2023 so all the payments in question would be outside the required timescales for a chargeback claim.

This means Monzo shouldn't have raised a chargeback claim at all on behalf of Mr B, in line with the card issuer rules as it was out of time. The claim was still raised which meant that the last transaction from 3 January 2023 was refunded.

While the chargeback claim was regarding this one transaction, Mr B had added a note to his form that he had further transactions he wished to claim for. However he only raised this again with Monzo in December 2023 after not hearing anything further.

Monzo in the meantime did raise a chargeback for one more payment made in July 2022 but this wasn't refunded. In addition there were two other payments that were temporary refunded and then re-collected in July 2024. Monzo has said they're willing to refund these payments as a part of their offer to settle the complaint. I shall go into this later in terms of my thoughts on the fairest way forward.

On the matter of the chargeback claim overall, I do think this was out of time for the reasons explained. I note Mr B mentioned he'd been busy which meant he was unable to raise this earlier, and in addition the Monzo mobile chat hadn't been available when he wished to discuss this. Lastly he expressed concerns that he was unable to submit all of his transactions within the chargeback claim form online.

While I appreciate Mr B's comments, there was a substantial amount of time that elapsed during 2022 to the last transaction at the start of 2023 where a claim could've been raised. In addition Monzo's website does provide a telephone number which Mr B could've called to discuss these transactions further if he found the mobile chat wasn't available.

Monzo has also said their form does have the option to raise up to 50 different transactions. As Mr B's claim only contained details of one transaction, it would've been reasonable to submit further forms with details on the other transactions or alternatively contact Monzo earlier to discuss the difficulties he'd experienced.

I understand Mr B didn't follow this up until months later when he contacted Monzo again in December 2023. Regardless, and as mentioned above, the transactions would've been out of time for a successful chargeback claim at the first submission.

I note Mr B said he thinks all of the transactions should now be refunded as the first transaction was refunded in May 2023. As Mr B had been out of time for his chargeback claim overall, I can't agree that Monzo needed to refund the rest just because they raised a chargeback for a transaction in May 2023.

Monzo's handling of the chargeback claim

After reviewing the available evidence, it is clear that Monzo hasn't handled Mr B's chargeback claim as they should've. He wasn't notified that his chargeback was out of time during their conversations, nor in their final response of 30 May 2024. Monzo commented on the fact that Mr B needed to submit a further form with the rest of the transactions but it should've been clear at the time that the claim for these transactions wouldn't meet the time limits under the card issuer rules.

There were also inconsistencies in the additional transactions raised, with one not refunded at all, and another two refunded and then re-collected in July 2024. While these shouldn't have been refunded under the chargeback claim, I think Monzo's offer to refund these three transactions as a gesture of goodwill for what'd happened is fair. These total £20.07.

Monzo has also offered an additional £50 compensation for their general handling of the claim. I think this is also fair as they should've considered the time limits overall prior to asking Mr B to submit his other claims. I also appreciate Mr B had difficulty in attaining the information he needed regarding his transactions and therefore had to submit a SAR about his information held by Monzo to then allow him to submit the remainder of his claims.

I note the total compensation offered by Monzo here is £70.07. There seems to be a discrepancy on the number of disputed transactions here, as Monzo said there were six from August 2022 to January 2023 while Mr B believes there were a total of nine beyond the transaction refunded.

This offer would therefore cover over ten months of payments so more than the nine other transactions Mr B thinks would also form part of this claim. Considering the chargeback claim was out of time overall, I think this is a fair offer to address Monzo's handling of the claim and the inconvenience suffered by Mr B.

My final decision

For the reasons above I uphold the complaint. Monzo Bank Ltd must:

- Refund £20.07 in total to Mr B for the three additional chargeback transactions raised.
- Pay him an additional £50.00 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 3 April 2025.

Viral Patel
Ombudsman